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IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

No. .....

GENERAL PLYWOOD CORPORATION,
Petitioner,
v.
UNITED STATES PLYWOOD CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

General Plywood Corporation prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Sixth Circuit, entered in the above-entitled case on December 28, 1966.

CITATIONS TO OPINIONS BELOW

The Opinion of the District Court (R 41a), printed in the Appendix hereto, at p. 33 is reported at 230 F. Supp. 831. The Opinion of the Court of Appeals as corrected following a petition for rehearing, printed in the Appendix hereto at p. 46 is reported at 370 F 2d 500.

JURISDICTION

The Judgment of the Court of Appeals was entered on December 28, 1966, Appendix hereto p. 61. A petition for rehearing printed in the Appendix at p. 61, was filed on January 17, 1967. The Court of Appeals on February 8, 1967 denied the petition for rehearing but amended its Opinion by a Supplemental Opinion printed in the Appendix at p. 68. Jurisdiction of this Court is invoked under 28 U.S.C. 1254 (1) and 2101 (c).

QUESTION PRESENTED

Can infringement of a valid patent on a process which constitutes a substantial advance in the art be avoided by varying the details of the apparatus employed in performing the process if there is no departure from the mode of operation or the result achieved and the patent claims do not preclude such variation in the apparatus?

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

United States Constitution, Article I, Section 8, Clause 8.

> "The Congress shall have the power * * * to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

66 Stat. 797, Title 35, U.S.C., "Chapter 10—Patentability of Inventions", Section 101, "Inventions Patentable".

"Whoever invents or discovers any new and useful process * * * or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

66 Stat. 797, Title 35, U.S.C., "Chapter 10—Patentability of Inventions", Section 100, "Definitions".

"When used in this title unless the context otherwise indicates * * *

"(b). The term 'process' means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material."

66 Stat. 798, Title 35, U.S.C., "Chapter 11—Application for Patent", Section 112, "Specification".

"The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

"An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

66 Stat. 804, Title 35, "Chapter 14—Issue of Patent", Section 154, "Contents and term of patent".

> "Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, of the right to exclude others from making, using or selling the invention throughout the United States, referring to the specification for the particulars thereof. * * *

66 Stat. 811, Title 35, "Chapter 28—Infringement of Patents", Section 271.

> "(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

STATEMENT

Introduction

This patent infringement action was initiated by a Complaint filed by United States Plywood Corporation asking for a Declaratory Judgment that the patent to Alexander No. 2,827,935, was invalid and not infringed by United States Plywood (R 22a). General Plywood Corporation, owner of the patent, counterclaimed for infringement and for breach of trust (R 26a). The District Court for the Western District of Kentucky adjudged (Appendix p. 45) that the patent was valid but not infringed, and that there was no breach of trust by United States Plywood (R 50a). Both parties appealed (R 51a-2a); and the Court of Appeals for the Sixth Circuit affirmed.

In this Statement the process claimed in the patent in suit and the accused processes are described briefly, together with a showing that the holding of non-infringement by the Courts below rests entirely upon differences in the equipment used rather than any difference between the patented and accused processes, and a showing that the language of the patent claims does not preclude the use of the equipment employed by United States Plywood in the accused processes.

The Patented Process

The patent to Alexander, No. 2,827,935 (PX 1055, R 3056a-62a) covers a process for treating flat surfaces to make them less porous and more uniform so that they may be finished more easily and inexpensively by the usual lacquer coats employed on furniture and wall paneling.

The process is used by both parties on plywood panels[1] of the type used in paneling the interior walls of homes and offices. The Court of Appeals in its Opinion correctly described the prior art procedure for finishing such panels, as follows (Appendix, p. 47):

> "The industry prepared such panels for factory finishing (or for sale to the construction industry unfinished) by running the panels through a series of machine sanders (usually three). The first such machine employed a rough sandpaper of 1/0 grit; the next two were progressively finer. It appears that the finest in general use by the industry at this

[1] These panels are usually four feet wide and eight to ten feet long, except in the case of panels forming the faces of doors which may be of slightly less width.

stage, prior to the event we deal with, was 4/0 grit."[2]

"This sanding produced plywood panels ready for finishing and termed in the industry 'wood in the white'. The surface while relatively smooth was porous, somewhat fibrous, absorptive and without gloss or sheen.

"Subsequently, to change all these surface characteristics, finishing required filler, stain, lacquer and polishing."

Thus the panels were subjected to a sanding process to cut or abrade the major roughness away, followed by a finishing process to coat and protect the surface. However, the sanded wood surface (even though it was "fine" sanded) was porous, and, moreover, was of variable porosity from spot to spot. As a result, the lacquer which was applied to create a finish coating, was not only absorbed into the wood but was unevenly absorbed so that the wood industry was required to apply sufficient lacquer (normally in the form of several coats) to build a uniform coating (R 553a; 1543a; 1575a-82a; DX 2093, R 3568a, 1775a-6a; DX 2056, R 3493a-4a, 1447a). Moreover, it was necessary in prior practice to sand lightly between coats of finishing materials to remove the "nibs" or partially loosened fibers which raise through the coating (R 346a-7a; DX 2056, R 3455a-6a, 1447a; 2085a; 96a-7a).

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[2] Coated abrasives such as sandpaper are graded according to the size of the grit particles. The grading system is set forth in the tabulation in Admission 8 by USP in DX 2056 at R 3455a, 1447a. The "ought" system of designating grit size will be used in this brief. The 1/0 grit (pronounced "one ought") is a "coarse" grit which will just pass a 50 mesh screen having 50 wires per inch, while 4/0 ("four ought") grit is in the middle of the "fine" range and will pass through a 150 mesh screen.

The patented process, which has been named the "micro-seal" process, is an additional process performed after all steps of the sanding process are completed and before the normal finishing process is started. It serves to render the wood surface smoother and less porous and semi-permanently bond the nibs to the surface by the momentary and uniform application of frictional heat and pressure. The friction heats a thin surface layer of the wood to a temperature at which it is softened, without heating the underlying wood, so that the pressure exerted by the rubbing medium can compress the heated surface layer without compressing the underlying wood. This result is achieved while the wood panels are moving continuously along a conveyor line at a feed rate in the order of 90 feet per minute. The rubbing treatment is confined to a stationary zone in the form of a narrow band extending entirely across the flat wood surface transversely to the direction of travel. As a result, the length of the treatment for any given spot on the surface is only a fraction of a second. This confines the frictionally generated heat to an exceedingly thin layer from which the heat is almost instantly dissipated when the wood passes out of contact with rubbing medium, thereby permitting the compressed wood to stabilize.

The preferred apparatus described in the patent (R 3056a-8a) for practicing the process is a type of prior art sanding machine known as a wide belt machine[1] on which is placed a belt suitable for frictionally rubbing and compressing the wood surface. The machine has a cylindrical rubber-covered roller or drum over which the belt passes and which presses the belt against the wood surface in a narrow band of contact extending across the width of the panel and drives the belt relative to the wood surface at a

[1] One make of wide belt machine known as a "Timesavers" machine was used by both parties (Admissions 7c and 21, DX 2056, R 3453a and 3457a, 1447a)

rubbing speed of several thousand feet a minute. The rubbing speed and pressure and the work feed speed are adjusted and correlated in the manner described in the patent to achieve the desired results, the preferred conditions being those which will heat the surface wood to a temperature just below scorching temperature in the brief treatment time. It should be noted that in order to practice the process, the belts must be slightly wider than the piece of wood to be treated. Thus, to treat the four foot wide plywood panels made by both parties requires a large machine and a 50 inch wide belt.

It is unnecessary to describe further the details of the machine or the manner in which it is operated because the only difference between the patented process and the accused processes used by United States Plywood resides in the construction of the belt employed.

The patent recommends as the preferred belt one having a cork surface incorporatihg a very mild abrasive, but it states that (R 3058a):

> "Any other flexible, yielding, relatively nonabrasive frictional rubbing medium or frictional belt material, such as canvas, or other cloth made of natural or synthetic fibers, may be employed so long as it is capable of frictionally developing the requisite temperature when the requisite operating conditions are employed, and of withstanding both the operating temperatures and pressures."

Consistent with the above, the claims of the patent do not specify any particular belt material. Claim 7,* for example, merely calls for "an endless flexible rubbing

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*While most if not all claims are equally infringed, claim 7 can be taken as representative for purposes of this case. It is printed in the Appendix hereto at p. 69. Claim 11 quoted by the Court below is a broader claim.

medium, having a yielding relatively nonabrasive frictional heat insulating rubbing surface" (R. 3061a). A relatively nonabrasive belt is required to avoid removing all of the compressed surface layer as it is formed, but some wood will be removed in any rubbing action severe enough to develop the requisite frictional heat.

The Patented Process was a Substantial Advance in the Art.

The addition of the microseal process intermediate the commercial wood sanding and finishing operations entails an additional procedure and an additional investment in equipment (R. 1200a; DX 2056, R 3468a, 3485a and 3487a, 1447a). Despite that fact, the resulting improvement in the final appearance and saleability of the finished wood products and the reduction in the total cost of manufacture have been such as to lead to widespread commercial adoption of the process. As the Court of Appeals correctly held:

> "The Alexander process was both new in the industry and of great commercial value" (Appendix, p. 55).

The process was practised by General Plywood and the improvement in its products saved General Plywood's business when it was threatened by a business slump and severe import competition (R 1238a, 1895a; 2077a-8a). A number of manufacturers practised the process under license from General Plywood (R 3611a; 2032a-34a). The process was industry-wide in its impact (DX 2056, R 3518a and 3520a-1a, 1447a), and was deemed "revolutionary" by the manufacturer of the "Timesavers" wide belt machines used by both parties (U.S. Plywood's witness Pendergast, DX 2022, R. 3358a, 1219a). A Vice President of Carborundum Company, one of the largest suppliers of coated abrasives to the woodworking industry, similarly characterized

the process (PX Carbo 89, R 2384a, 1184a; DX 2170, R 3661a-2a, 2188a) and his top technical expert testified that it had "revolutionized the plywood and door industry in the United States" and that the process had been of "great help in fighting off the extremely serious threat of imported plywood without which the situation for U. S. manufacturers would be many times worse than it is" (R 1888a-9a).

One of the "novel features" of the process which had led to its widespread adoption was characterized by the Court of Appeals as follows (Appendix p. 54):

> "The employment of relatively high speeds and pressures correlated to achieve the impact of heat just below scorching helped to achieve a surface smoothness, density and gloss in one machine operation which made subsequent finishing operations substantially simpler and less expensive."

The noted reduction in cost of finishing operations resulted from the fact that the process eliminated the need for at least one finishing coat of lacquer and related treatments (DX 2056, R 3487a and 3493a-4a, 1447a; DX 2028, R 3365a-6a, 1245a; 1927a-34a; 1649a; DX 2093, R 3568a, 1576a; 1575a-82a).

The Accused Operations

It is not disputed that in each of the accused operations United States Plywood treats flat wood panels in a wide belt machine of the type described in the Alexander patent. However, in the place of the cork belt recommended in the patent, United States Plywood uses a belt of exceedingly fine grit sandpaper or sanding cloth; and it is on this substitution that the Courts below have rested their holdings of noninfringement.

The very fine sandpaper belts first used for this purpose by United States Plywood were purchased from Minnesota

Mining & Mfg. Co. (hereinafter called 3M), which sold them to United States Plywood as "Burnishing Belts" on the basis that they would duplicate the performance of the cork belt in the microseal process (DX 3M162, R 2814a-16a, 437a; DX 2056, R 3478a-9a, 1447a; 494a-5a; 314a). These belts were specially dulled 10/0 grit* belts that were developed by 3M after the microseal process had been disclosed in confidence to 3M by General Plywood (R 45a) and after General Plywood had informed 3M that the microseal process could be practiced with belts other than the cork belt which was being supplied by 3M (PX 1103, R 3304a, 2330a; PX 3M142, R 2797a, 1019a).

Prior to its first purchase or use of the 10/0 "Burnishing Belt", United States Plywood was considering General Plywood's offer of a license to use the microseal process, having, for evaluation purposes, obtained from General Plywood a full disclosure of all details of the process (DX 2056, R 3467a-72a, 1447a; 717a-8a; 2179a-80a). When United States Plywood sought to purchase cork belts from 3M for trial, 3M responded by offering the "Burnishing Belt" as a substitute. After a trial to satisfy itself that the 10/0 "Burnishing Belt" did duplicate the results of the cork belt, United States Plywood adopted the accused process, using the 10/0 "Burnishing Belt", designated its process the "Micro-Fine" process, and rejected General Plywood's offer of a license (DX 2056, R 3480a-91a, 1447a; 964a).

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* Abrasive grits of 6/0 and finer are graded "very fine" and 10/0 is one of the finest of these. The 10/0 grits will pass through a 400 mesh screen (DX 2056, R 3455a, 1447a). A small specimen cut from a 10/0 "Burnishing Belt" is fastened to the inside back cover of this Petition. It corresponds to the sample which is in evidence as physical exhibit PX 1001 (R 183a).

United States Plywood calls its accused Micro-Fine process a super-fine sanding operation but in view of the following admissions, that process is unlike any prior art sanding operation and has all of the characteristics of the microseal process: Thus,

1. United States Plywood witnesses and its own reports show that scorching is occasionally observed in the practice of the accused process. (R 334a; 582a-3a; 2185a; DX 2056, R 3483a-7a and 3492a-3a, 1447a; 1150a-1a; 2312a). This demonstrates that the surface of the wood is being raised to the temperature at which it can be compressed and densified, which a sanding operation admittedly does not and cannot do (DX 2055, R 3439a, 2178a; PX 1055, Tab 1, R 3058a).

2. United States Plywood does not challenge the evidence as to the pressures used in its accused operations. In a number of the accused operations, the pressures used (DX 2083 A and B, R 3559a-60a, 1526a; 1675a-9a) are even higher than those recommended in the patent (R 3060a); and in all cases the pressures used far exceed any pressure used in the prior art for sanding white wood with "very fine" grits (R 795a; 1799a).

3. United States Plywood boasted that the product of its Micro-Fine process was less porous than prior sanded panels. Thus, in a bulletin to the trade announcing the first commercial use of the process, it said:*

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*Admission 77 by USP, DX 2056, R 3493a-3494a, 1447a (Italics added).

"There is a difference!" * * *

"1) We have found in our prefinished work that it is *almost equal to another coat of lacquer as far as film build is concerned.* The finishing materials *do not seep down* into the fiber surface and *disappear*—they stay *up on top* of the final sanded panel."

"2) The surface is much more uniform. *Fillers and stains take more evenly and cleanly.* The result is vastly improved grain definition—the figure and beauty is actually lifted out."

This demonstrates conclusively that United States Plywood is obtaining the results of the microseal process.

4. That the results of the microseal process are unique and not achieved by a wood sanding operation is shown by the admission of United States Plywood that a sanding operation is a pure cutting operation which smooths a wood surface by cutting away the high spots without densifying the surface. (DX 2055, R 3437a-41a, 1447a)

It is apparent from the foregoing that United States Plywood can call the accused process a "sanding" operation only in the sense that it is using "sandpaper". By the same token, if one were to drive a nail with a shovel, the operation could be called a shoveling operation.

The 10/0 grit belts and the cork belts are equally effective to perform the microseal process and for the same reason; neither is sufficiently abrasive to remove the densified layer which results from the high pressure rubbing action (R 1439a-40a; 1456a; PX 1053, R 2978a; DX 2056, R 3498a, 1447a; 905a). Due in part to the extreme fineness of the 10/0 grit and in part to the fact that the spaces between

them become filled with packed wood dust, the belt surface in use is largely wood rather than the aluminum oxide grits (R 1870a-1a; 559a; 3912a; 2154a).

There is no evidence that 10/0 grit sandpaper had ever been used on a wide belt machine for treating either finishing coats or white wood prior to the invention of the microseal process by Alexander and the disclosure of that process in confidence to 3M. Moreover, the finest sandpaper previously used commercially by United States Plywood on white wood was 4/0 grit.[7] There is evidence that 8/0 and coarser sandpaper sheets were used by others for light scuff sanding of white wood at pressures of ⅛ to ⅓ pound per square inch (R 795a; 1799a), but the pressures used in the accused operations are at least ten times as high and, in most cases, twenty-five times as high.

The Fine Grit Belts Employed in the Accused Processes Come Within the Terms of the Patent Claims

The Court below erroneously construed the claims of the patent to require belts differing from those used in the accused processes and thus, supported its conclusion that there was no infringement. The uncontradicted evidence and admissions bearing on the supposed distinctions are outlined below.

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[7] Requested Admission 12 (DX 2056, R 3456a, 1447a) describes the prior sanding practices of United States Plywood. While that request was denied the answer of United States Plywood to Interrogatory 133, (DX 2055, R 3441a-2a, 2178a) shows that the requested admission correctly described its prior white wood sanding procedures.

"Relatively Nonabrasive"

Claim 7 and other claims of the Alexander patent state that the surface used to rub the wood is "relatively nonabrasive". The Court below held that the fine grit belts as used by United States Plywood were not "relatively nonabrasive" because they removed "significant amounts of stock".

The parties are in agreement that the degree of abrasiveness of the belts is measured by the amount of wood removed (R 288a; 1854a-8a); and United States Plywood admitted that its own tests demonstrated that a broken-in cork belt was slightly more abrasive than even a new 10/0 belt (R 298a; 971a). United States Plywood also measured the amount of wood removed by the 10/0 belt in one of its accused operations at Orangeburg (PX 1006, R 2908a-9a; R 254a-5a). The quantity removed in those tests matched very closely the quantity of wood removed in similar tests conducted with both cork *and* 10/0 belts by General Plywood in the presence of an expert and trial counsel for United States Plywood (DX 2097, R 3569a; 1582a-4a).

Thus, the evidence adduced by both parties is in complete agreement that the 10/0 belt is no more abrasive than the cork belt. Since the cork belt is described as "relatively nonabrasive" in the patent, that expression is equally applicable to the 10/0 belt.

Tests conducted by both parties also showed that the amount of wood removed by the 10/0 belt in the practice of the microseal process is about one-fifth or less that removed in a 6/0 sanding operation even though the microsealing pressure was twice that of the sanding operation (PX 1006, R 2900a-13a; 250a-4a; 310a; and DX 2097, R 3569a, 1582a). This shows that the choice of the expression "relatively nonabrasive" was appropriate to describe the

micro-sealing belts, whether cork or 10/0. The 6/0 sandpaper used as a basis for comparison is graded "very fine" and is finer than any used in regular production by United States Plywood prior to its receipt of knowledge of the microseal process.

Evidence as to the abrasiveness of the 9/0 and 8/0 belts, as used by United States Plywood in the accused operations at its Seattle plant, shows that those belts are also relatively nonabrasive in the sense of the patent (DX 2097, R 3569a, 1582a-4a; 1673a; 2151a-60a).

"Non-metallic"

The Courts below appear to hold that the patent in suit was limited to the use of non-metallic belts and that the belts used in the accused processes were metallic. But the term "non-metallic" does *not* appear in any claim of the patent and the belts used in the accused processes are *not* metallic.

The claims *do* specify a belt of "heat insulating" material and the specification (R 3058a), in describing the cork and cloth belts, which are specifically mentioned, notes that they are non-metallic and that since they are poor heat conductors "in comparison with metal" they may be described as a heat insulating material. This is the only mention of metal or non-metallic in the patent and it is not a requirement that the belts be non-metallic.

The Courts below have not questioned that the belts used in the accused processes are made of "heat insulating material", and there is ample evidence in the record that they are in fact poor conductors of heat compared with metal (R 2201a-2a; 1870a-1a; 1887a-8a; 1568a-9a).

There is not one iota of evidence to support the conclusion that any portion of the belts used in the accused operations is metallic. The tiny pieces of grit are aluminum oxide crystals, i.e., corundum, the same material as a ruby. Aluminum oxide is not metallic and even if it were so considered, it was admitted by Mr. Back, one of the expert witnesses for United States Plywood (R 195a), that it was a poor conductor of heat compared with metal, and that its heat conductivity is further reduced in the belts because it is broken into small separated crystals (R 2201a-2a). Of course, the belts as a whole consist of paper or cloth, glue and packed wood dust, all poor conductors of heat (R 2201a-2a; 1416a; 1870a-1a; 1887a-8a; 1568a-9a).

"Flexible"

The holding of the Court of Appeals that the belts used in the accused operations are not "flexible" is not explained and is not understood in view of the unquestioned fact they are endless belts which run over the pulleys or rollers of the wide belt machines on which they are used by both parties (DX 2056, R 3521a-22a, 3453a-4a; 1447a). All belts of this type must be flexible or they would break as they bend around the rollers.

"Yielding"

An important feature of the microseal process is that the rubbing member be yielding so that it can accommodate itself to any minor lack of flatness of the wood surface and thus act equally on both high and low spots[8] (R 1882a-5a; 1416a-7a; 1440a; 1539a; DX 3M169C, 2821a; 466a; 471a; 323a-4a).

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[8] This differs from a sanding operation which makes a surface more flat by cutting off the high spots.

It is admitted by United States Plywood that the back-up roll that presses the belt against the wood surface in the accused operation has a soft rubber covering which permits the flexible belt to yield and accommodate itself to irregularities in the wood surface (R 309a-10a). Moreover, this rubber backing is admittedly softer rubber than that on similar machines used by United States Plywood for true sanding operations with 6/0 and coarser grits (DX 2083, R 3559a-60a; 1526a; DX 2056, R 3525a and 3528a; 1447a). This is all that is contemplated by the term "yielding" in the claims of the patent.

The Erroneous Holding That the Patent Is Limited to the Use of Belts "Originally Designed" to be Relatively Nonabrasive

The Court of Appeals concurred in a holding to the above effect by the District Court; and also with the further statement that "it would be illogical to conclude that his [Alexander's] patent could be infringed by a belt designed and manufactured as an abrasive instrument but which became relatively non-abrasive because it was worn by use."

The purpose for which a belt is designed is certainly irrelevant, as is clear from the fact that the cork belt itself was not designed for use in the microseal process, but rather as an abrasive for polishing glass while wet with water (R 504a-5a; PX 1055, Tab 2, R 3063a-6a). Actually, the first belt that was ever designed solely and exclusively for the purpose of practicing the microseal process is the 10/0 "Burnishing Belt" used in certain of the accused processes. That belt was made by 3M for the express purpose of duplicating the results previously obtained by the cork belt in the microseal process (R 494a-5a; DX 3M162, R 2814a, 437a; DX 3M169, 2816a-23a, 466a; DX 2007, R 3338a-9a, 495a-6a).

It is also irrelevant that the belts used in the accused processes require a short break-in before they perform a satisfactory job of microsealing, because the same is true of the cork belt.[9] The primary evidence on which General Plywood relies to establish that in actual commercial use by United States Plywood, the 10/0 belt is "relatively nonabrasive" is the evidence *which was introduced by United States Plywood*[10] to show the abrasiveness of those belts in actual commercial operations at Orangeburg in terms of the amount of wood removed. If that evidence establishes that the 10/0 belt is relatively nonabrasive, that issue should be decided in favor of General Plywood. Of course, no recovery can be had for panels treated during a break-in period in which the process is not performed, if there is any such period; unless those panels are rerun thereafter.

The Holding of Non-Infringement by the Courts Below is Based Solely on Differences in the Construction of the Belts Used

Neither of the Courts below have found that the manipulative steps of the accused processes differ from those of the patent in any way or that there is any difference in the results achieved. The Court of Appeals does refer to the

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[9] The evidence indicates that if no accelerated break-in procedure is used it requires treatment of a number of panels under standard microsealing conditions before a belt performs good work. This preliminary period in the case of the 10/0 belt is about 4 to 6 panels, which is less than one-tenth of one percent of the expected useful life of the belt; in the case of the 9/0 belt, about 50 panels (less than 1% of its useful life), and for an 8/0 belt, about 300 to 400 panels (less than 5% of its useful life). The cork belt requires treatment of about 50 panels before it does good work, if not otherwise broken-in (R 1954a-5a and 391a). This break-in period is taken care of automatically at United States Plywood by rerunning defective panels (R 946a-7a; 288a-91a; 303a-4a).

[10] This evidence was evidently offered by United States Plywood in the belief that proof of any wood removal would support a holding of non infringement.

accused operation as a "fine sanding operation", but so far as appears in the Opinion this means no more than that sandpaper is used, a point not in dispute. That the Court of Appeals accepted the fact that there was no significant difference in the results achieved is indicated by the following sentences in its Opinion (Appendix p. 53).

> "There is no doubt at all that U. S. Plywood commenced its investigation of the microseal process with a view toward finding a way *to match its results* or, as a reluctant alternative, negotiation of a licensing agreement. * * *"
>
> "Acting on 3M advice, it found that it could employ a fine sanding operation * * * to achieve on wood in the white plywood panels *results at least quite similar to those produced by the microsealing.*" (Italics added.)

The parenthetical clause which is omitted from the last quotation reads to the effect that the fine sanding operation "was already being used for finish polishing". This evidently refers to evidence that top laquer or varnish coats had been polished by the use of 10/0 sandpaper. The Court of Appeals later indicated that because of such prior use: "If Alexander's patent should be broadly enough construed so as to apply to this operation, then it would be hard to ascribe to it the novelty, as opposed to prior art, which is required for invention" (Appendix p. 58). The implication that the Alexander patent, if construed to cover the accused Micro-Fine operations, would not distinguish over the prior use of 10/0 grit sandpaper to smooth lacquer or varnish coats is clearly erroneous as wholly unsupported

by evidence and contrary to unchallenged evidence in the record.[11]

In the first place, there is no evidence that 10/0, 9/0 or 8/0 sandpaper belts had ever been used commercially in a wide belt machine for treating either top coats or white wood prior to Alexander's invention of the microseal process.[12]

While these fine grits had been used to smooth top coats of lacquer, that operation was performed with small sheets of sandpaper by hand or hand-held vibrating sanders at very light pressure (R 1799a; 96a-7a; DX 2055, R 3441a-2a, 2178a; DX 2056, R 3454a and 3456a, 1447a). Moreover, such top coats are solid and non-porous, so they could not be densified even if softened by heat (R 1691a); and it would not be possible to sand them if they were so softened because they would then become sticky (R 737a-8a). For that reason, the operation is usually performed while the surface is wet with water or kerosene to keep the coating cool (R 737a-8a; 96a-7a; PX 1055, Tab 24, R 3107a). There is no conflict in the evidence as to the nature of this prior art top coat polishing operation. Accordingly, the prior "finish polishing" is entirely different from the accused processes, not only from the standpoint of the manipulative steps involved, but also the material operated upon, the function performed and the results achieved. This is supported by Mr. Oeffinger, Director of Research and Development at the United States Plywood plant at Orangeburg (R 949a), who testified that he could make no comparison between the two operations because they "are so entirely different" (R 961a).

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[11] This ground was not urged by United States Plywood Corporation on appeal below or mentioned by the District Court.

[12] The Court of Appeals may have based its comment on an erroneous assumption to the contrary.

REASONS FOR GRANTING THE WRIT

1. The decision of the Court below is in clear conflict with the principle of law, repeatedly enunciated by this Court, that infringement of a process patent is not avoided by using apparatus other than that disclosed in the patent so long as the nature of the process and its results remain the same. *Smith v. Snow*, 294 U.S. 1, (1935); *New Process Fermentation Company v. Maus*, 122 U.S. 413, (1887); *Tilghman v. Proctor*, 102 U.S. 707 (1881); *Cochrane v. Deener*, 94 U.S. 780 (1877); *Mowry v. Whitney*, 14 Wall 620 (1872). This principle has been consistently followed by Courts of Appeal in other circuits.[13]

2. The question presented is of major importance in the administration of the Patent Laws because it is very likely to be faced with respect to every valid process patent. It is therefore, a question of general public interest and importance. Also involved is the need to reaffirm that a patent on a substantial advance shall be given a scope that will preserve to it a value commensurate with that of the inventor's contribution to the art, without which the Patent Laws will fail to provide the Constitutional incentive—"to promote the Progress of Science and Useful Arts." (Article I, Section 8, Clause 8.)

3. The decision below is clearly erroneous. Not only did the Court below do violence to the above stated rule of

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[13] *Buffalo Forge Co. v. City of Buffalo*, 255 F 83 (CA 2 1918); *Moore Filter Co. v. Tonopah-Belmont Development Co.*, 201 F 532, 541 (CA 3 1912); *Lever Brothers Co. v. Proctor & Gamble Mfg. Co.*, 139 F 2d 633, 643 (CA 4 1943); *Binks v. Ransburg*, 281 F 2d 252, 258 (CA 7 1960), cert. granted 364 US 926; writ dismissed 366 US 211; *Sbicca-Del Mac. Inc. v. Milius Shoe Co.*, 145 F 2d 389, 397 (CA 8 1944); *Petroleum Rectifying Co. v. Reward Oil Co.*, 260 F 177, 182, (CA 9 1919); *Finch Corp. v. Stelos Co., Inc.*, 46 F 2d 606, 608 (CA DC 1931).

Smith v. Snow, supra, but in doing so it also violated three other general principles of patent law established by this Court, as follows:

First, the Courts below ignored the rule that it is the claims which are the measure of the invention, not the specific embodiment which was chosen for disclosure in the patent to meet the requirements of Title 35 U.S.C., Sec. 112, *supra.*[14]

Second, the Court below violated the rule that the language of a patent claim should be construed in conformity with the disclosure of the patent.[15]

Third, the courts below failed to follow the rule that a patent on an invention which advances the art substantially should be liberally construed "to secure to the inventor the reward he deserves."[16]

ARGUMENT

George Alexander's invention of the microseal process has been held to be an important advance in the ancient art of woodworking; and the validity of his patent on the process has been sustained by both Courts below. Accordingly, that patent is worthy of this Court's attention, and is entitled to a liberal construction.[16]

Reversal of the rulings of the lower Courts on the question of infringement is required to avoid subversion of the

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[14] *Smith v. Snow, supra,* and *Graver Tank Co. v. Linde Air Products Co.,* 339 US 605 (1950) rehearing denied 340 US 945.

[15] *Schreiber-Schroth Co. v. Cleveland Trust Co.,* 311 US 211 (1940).

[16] *Eibel Process Company v. Minnesota & Ontario Paper Company,* 261 U.S. 45 (1923) at page 63 and *Smith v. Snow,* 294 U.S. 1 (1935), at page 14.

Constitutional objective of our patent laws and contravention of repeated rulings of this Court. While this Court has made clear in a number of decisions[17] that the Constitutional objective, "to promote the Progress of Science and useful Arts," is thwarted by the grant of patents on obvious improvements in the arts, it is equally true that the incentive to invent and to invest in the development and promotion of inventions, which is the heart of the system contemplated by the Constitution, is destroyed if patents on worthy inventions are so construed as to permit easy evasion. As will be seen, the Courts below by violating long established principles of patent construction have rendered valueless what the same Courts hold to be a valid patent on an important contribution to the art. It is imperative for inventors to be reassured that their deserved rewards will not be denied them by failure of courts to follow the rules of law under which the patent system has grown to be a recognized public benefit.[18]

The "Question Presented" has been answered in the negative by this Court repeatedly over the last ninety-five years.[19] The principle laid down in those decisions which was clearly violated by the Courts below, was stated in *Smith v. Snow*, 294 U.S. 1 (1935), as follows:

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[17] Culminating in *Graham et al v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966).

[18] See the "Introduction" to the "Report of the President's Commission on the Patent System" of Nov. 17, 1966. United States Government Printing Office 1966 O-238-465, pages 2 and 3.

[19] *Smith v. Snow*, 294 U.S. 1 (1935); *New Process Fermentation Co. v. Maus*, 122 U.S. 413 (1887); *Tilghman v. Proctor*, 102 U.S. 707 (1881); *Cochrane v. Deener*, 94 U.S. 780 (1877); *Mowry v. Whitney*, 14 Wall 620 (1872).

> "Respondents do not avoid infringement of the method by varying the details of the apparatus by which they make use of it. *Cochrane v. Deener*, 94 U.S. 780, 788; *Tilghman v. Proctor*, 102 U.S. 707 730, 731."

Conversely, one does not infringe a process patent, merely by using the same apparatus as that disclosed by the patentee if the mode of operation is different. *Universal Oil Products Co. v. Globe Oil & Refining Co.*, 322 U.S. 471 (1944).

The principle follows from a related and fundamental rule as to the nature and basis for patentability of a process or method, which was clearly stated by this Court in *Cochrane v. Deener, supra*, as follows:

> "A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing. If new and useful, it is just as patentable as is a piece of machinery. In the language of the patent law, it is an art. The machinery pointed out as suitable to perform the process may or may not be new or patentable; whilst the process itself may be altogether new, and produce an entirely new result. The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence."

This rule, that a method may be patentable even though no new instrumentalities are employed, was codified in the Patent Act of 1952 which provides for the patenting of a process (35 U.S.C. 101) and defines the word "process" as follows (35 U.S.C. 100b);

> "The term 'process' means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material."

Adherence to the rule of this Court, that infringement of a process patent does not turn on the nature of the apparatus used, is essential if process patents are to have any value. Since any process may be performed by more than one type of apparatus and a process patent does not cover the apparatus used, such a patent is utterly worthless if it can be avoided by adopting apparatus differing from that disclosed in the patent. This is exactly the result of the decision below. The right to exclude others from the use of the microseal process if limited to instances in which the cork belt is employed means nothing if the identical process can be practiced with other readily available belts. The incentive contemplated by the Constitution can be preserved only by giving process patents a scope commensurate with the value of the inventor's contribution to the art.

Since process inventions are capable of commercial use in secret, any dilution of the incentive to seek patent protection on processes in lieu of use in secrecy will tend to destroy the objective of our patent system, which is to encourage inventors to disclose their inventions to the public.

The Court of Appeals correctly applied the foregoing principles in holding that the patent was valid because the previously known wide belt machine and the previously known cork belt had not been used together on white wood or in the manner specified in the claims of the patent to produce the results of the microseal process. But, it violated those principles in refusing to permit recovery against one who practiced the same process with the 10/0, 9/0 and 8/0 belts. The prior existence and use of separate sheets of these very fine grit sandpapers on lacquer top coats should have no limiting effect upon the patent since they too had not been used as wide belts on white wood, or in the manner specified in the claims to produce results like

those of the microseal process. Moreover, when used in the manner specified in the patent they are not "just sanding", but performing a function and achieving a result never before performed or achieved by sandpaper.[20]

The Patent Statutes make clear that the authorized grant of a right to exclude others is not limited to the specific embodiment of the invention disclosed. Thus, the requirement of 35 U.S.C. 112 that the application for patent "shall set forth the best mode contemplated by the inventor for carrying out his invention", makes it clear that an "invention" may be carried out in more than one "mode", and that only one need be disclosed. That language, and the requirement of the same Section that "the specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention", makes clear that the "invention" is a concept independent of the disclosed "mode". The Statute, moreover, does not limit the monopoly to the "best mode contemplated by the inventor", but grants the patentee "the right to exclude others from making, using or selling the *invention* throughout the United States" (35 U.S.C. 154—italics added). This clearly extends the scope of a patent to all modes for carrying out the "invention", whether disclosed or not, so long as they fall within the scope of the claim. This is in accord with

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[20] The Court of Appeals quoted a statement in the District Court's Opinion attributing to Counsel for General Plywood the concession that if United States Plywood was "sanding" in its accused operations it was not infringing. That actual statement of Counsel was that there was no infringement if United States Plywood was "just sanding" and in the context in which that statement was made it is clear that if United States Plywood is achieving the results of the microseal process it is not "just sanding" (R 31a-33a and 55a).

the following words of this Court in *Graver Tank Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950) rehearing denied 340 U.S. 945:

> "In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it."

The Courts below violated the above rule to the extent that they based their decisions on the holding that United States Plywood had not used the cloth or cork belts mentioned in the patent since none of the patent claims specify any such belt. The same error was made with respect to the expression "non-metallic" which is not found in the claims.

It is significant in this context that the Patent Act of 1952 not only does not require that patent claims be limited to the disclosed embodiment of the invention, but provides that an element of a claim (on a process) "may be expressed as a * * * step for performing a specified function * * * and such claim shall be construed to cover the * * * acts described in the specification and equivalents thereof" (last par. of 35 U.S.C. 112 *supra*). This is a codification of the "doctrine of equivalents" which has evolved in decisions of this Court to protect patentees against erosion of their just reward by a literal interpretation of the patent. The need for such a doctrine was well stated by this Court in the *Graver Tank* case, *supra*, as follows:

> "But Courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. * * * Outright and forthright duplica-

tion is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.

"The doctrine of equivalents evolved in response to this experience. The essence of the doctrine is that one may not practice a fraud on a patent. • • • 'To temper unsparing logic and prevent an infringer from stealing the benefit of the invention' a patentee may invoke this doctrine to proceed against the producer of a device 'if it performs substantially the same function in substantially the same way to obtain the same result'. *Sanitary Refrigerator Co. v. Winters,* 280 US 30, 42, 74 L ed 147, 156, 50 S Ct 9."

The dissenting opinions of Justices Black and Douglas in the *Graver Tank* case rest upon an express limitation to the use of a specific chemical composition which was found in the claims of the patent there involved but was admittedly not found in the accused product. No comparable claim limitation exists in the present case.

The courts below in holding that the belts used in the accused processes remove "significant amounts of stock" and therefore cannot be considered "relatively nonabrasive" violated the rule that language in a patent claim be construed in conformity with the specifictaion.[21] That these belts remove some wood is not disputed, but whether or not the amount can be considered "significant" is irrelevant in view of the undisputed evidence that the 10/0 belt used by United States Plywood is no more abrasive than the cork

[21] *Schriber-Schroth Co. v. Cleveland Trust Co., supra.*

belt of the patent. Thus, both are "relatively nonabrasive" to the same degree. It was improper to construe the expression "relatively nonabrasive" to require something less abrasive than the cork belt.

It is manifest from the entire record of this case that the use by United States Plywood of the very fine grit belts was simply a subterfuge. Even if the *unused* belts were something short of "relatively nonabrasive", they were obviously selected and designed to become essentially nonabrasive almost as soon as they were put into use, and their whole function—not for a brief time after they became worn out, but for the complete, long time of their actual employment in processing wood surfaces for commercial sale—was exactly the same as the belts recommended in the patent. One cannot avoid infringement by the trick or device of using, for the process, an apparatus element which he calls by another name, but which is converted, in the start up of the process, to exactly the same thing the patent claims specifies. It should be noted that United States Plywood reruns defective panels thereby correcting any deficiencies in those run at the start of a new belt (R 946a-7a, 288a-91a; 303a-4a).

This is not a case in which the judgments of the courts below are based on concurring findings of fact based on conflicting evidence. Neither court below found any difference in kind or degree between the functions or results of the patented process and those of the accused processes as practiced by United States Plywood. The decisions below are based wholly upon the differences in the belts used; and in finding that the patent claims precluded use of fine grit belts the courts below disregarded controlling admissions, unchallenged evidence and well established principles of law laid down by this Court.

The question presented is of fundamental importance to the administration of the patent laws; and preservation of vitality in the Constitutional incentive requires this Court's reassurance that patents on substantial advances in the useful arts shall be liberally construed to insure that inventors receive rewards commensurate with their contributions to the public welfare. *Eibel Process Company v. Minnesota & Ontario Paper Company*, 261 US 45 (1923).

CONCLUSION

For the reasons stated above this Petition should be granted and the decision of the Court of Appeals in this case on the question of infringement reviewed by this Court.

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APPENDIX

OPINION OF THE UNITED STATES DISTRICT COURT

W.D. Kentucky at Louisville

(Dated March 10, 1964)

This suit was filed January 12, 1960 by the plaintiff, United States Plywood Corporation, a corporation created under the laws of the State of New York and hereinafter referred to as USP, against the defendant, General Plywood Corporation, a Kentucky corporation hereinafter referred to as GPC. The suit seeks a declaratory judgment as to the validity of United States Letters Patent No. 2,827,935 issued to George E. Alexander on March 25, 1958 and now owned by defendant GPC under an assignment from the patentee.

The application for the patent in suit was filed on October 10, 1956 and was given Serial No. 615,127. GPC urges that, in effect, the application on which the patent was granted was a continuation in part of a copending earlier application, Serial No. 566,690 filed February 20, 1956.

GPC filed a traverse of the complaint assailing the validity of the Alexander patent and filed two counterclaims. The first counterclaim alleged that USP had infringed the patent and seeks a recovery of damages and an injunction against further infringement. The second counterclaim seeks damages for the use of a wood finishing process by USP, which it obtained in confidence and used in violation thereof, and an injunction against further use of the process.

In amendments to the complaint and to its answer to the counterclaim, USP has charged fraud and misuse of the patent as an additional defense to the charge of patent infringement. USP's principal assault upon the patent in suit is that the process of the patent was discovered

and used more than one year prior to patentee's application; that the patent discloses no patentable invention over prior art, and that the patentee Alexander was not the first and original inventor of the process described in the patent. It is also alleged that GPC is estopped from asserting an infringement of its patent by the doctrine of "File Wrapper Estoppel."

The case was tried to the Court beginning December 7, 1962 and concluded February 20, 1963. Oral argument of counsel was heard over a period of five days in June and the case was briefed extensively until the latter part of September, 1963. Counsel for both parties have gone to great pains, trouble, and expense to assist the Court.

In considering the voluminous record in this case the Court is reminded of Judge Wyzanski's statement in his memorandum in *Nyyssonen v. Bendix Corp.*, 137 U.S.P.Q. 853: "This case presents great difficulties to a judge who, like myself, has only the most elementary training in science and mathematics, and has little experience with modern technological developments." It has been necessary to condense a large mass of facts in order to determine the principal questions of validity of the Alexander patent and whether that patent, if valid, has been infringed by USP. The proposed findings of fact and conclusions of law tendered by counsel for the parties, consisting of 187 pages for plaintiff USP and 213 pages for defendant GPC, will be considered as having been offered and rejected by the Court, except where adopted by the Court or where in accord with the Court's findings and conclusions.

FINDINGS OF FACT

1. The patent in suit employs the "microseal" process of finishing wood in the white, that is, without the aid of fillers or top coats. The process is for treating a flat wood surface in a straight-through production line operation whereby the treated surface acquires certain desirable properties such as increased hardness, smoothness, and reflectivity and reduced porosity and absorbency. In the

broadest sense, the process produces the desired effect by a momentary application of frictionally induced heat coupled with sufficient pressure to compress, pressure smooth, and densify the surface wood without scorching.

According to the patent in suit, the essential frictional heat is generated by non-abrasively buffing the wood surface with a buffing medium having a flexible, yielding, relatively non-abrasive, frictional, heat insulating rubbing surface. The requisite pressure is developed by compressing the buffing medium between a backing member and the wood surface so as to press the buffing medium into a firm and intimate contact with the wood surface. Finally, the buffing speed, pressure, and time of contact are correlatively controlled to produce momentarily a combination of heat and pressure at the point of contact to soften a thin layer of the wood surface while simultaneously compressing that layer.

The apparatus illustrated and described in the patent is a machine similar to a wide belt sander but uses a belt which operates as an "unabrasive" or relatively "non-abrasive" rubbing medium. The belt speed and pressure, as well as the rate of travel of the wood through the point of contact, generates the heat, and the temperature at the surface of the wood approaches but does not attain scorching temperature. The total time of rubbing contact on each point of the wood surface at a feed speed of 90 feet per minute is 1/25th of a second for a ¾ inch band of contact. By limiting the treatment time to a fraction of a second, the process heats and compresses a very thin layer of the wood surface without affecting the underlying wood structure and without scorching the treated surface area. Since the heated layer is very thin, the heat dissipates quickly after contact with the buffing medium thereby permitting the treated surface of the wood to harden and stabilize in its compressed state.

The process was named "microseal" by GPC and microsealed products have been sold by GPC under the trademark "Satin Surface" or "SS." It was recognized that

the microseal process increased the gloss of the wood, decreased and made uniform the porosity of the wood, and embedded in the wood the hairs or fibers called "nibs" which existed where abrasives were employed in sanding operations.

Much of the controversy in this case has developed over the sharp issue as to whether there is any densification of the surface of the wood as claimed in the patent in suit. The process claims that the wood contains a material known as lignin, a natural resinous cementing material which when softened by heat causes the heated structure to be easily compressed; and, since the treatment time of heat and pressure is very short, the frictionally generated heat is confined to a very thin surface that is easily compressed by rubbing pressure. The layer of densification is small because wood is a poor conductor of heat.

The patent is specific that the belt to be used in the process should be flexible, yielding, and relatively non-abrasive, such as canvas or other cloth made of natural or synthetic fibers, providing a flexible, frictional, relatively non-abrasive buffing or rubbing surface composed of non-metallic material. In recommending temperatures, pressures, work feed rate, and other factors to be correlated so as to produce the desired densification without scorching the wood, the patent says: "It is extremely difficult to determine the precise temperatures and pressures which obtain in the practice of this invention with the apparatus in the drawing."

2. George E. Alexander, inventor of the microseal process, is a mechanical engineer and was employed by GPC in 1947. After serving in various capacities at GPC plants in other states, he was transferred to Louisville in March, 1954 as production manager and later became vice president in charge of production. At that time, GPC was primarily interested in producing and marketing plywood doors and door skins then in great demand by the building trade. A door skin is the thin outer coat of a door applied to the unfinished solid center or core commercially called a "hollow core."

When Alexander was placed in charge of all production by GPC's president, Henry A. Reed, Jr., he was given the special assignments of developing a method to sand doors on a continuous production line basis and to improve the finish of the doors. Through experiments in sanding and buffing operations conducted in 1954, Alexander conceived the idea which resulted in the process later named "microseal" by GPC. During his studies and experiments, he confided his ideas only to Mr. Reed; Francis A. Bade, Jr., then chief engineer, and Lloyd E. Dimond, a chemist and glue expert, at GPC.

In 1955, Alexander contacted Oliver Judd, who as a representative of Minnesota Mining and Manufacturing Company (hereinafter referred to as 3M) was a frequent caller at the GPC plant because of the latter's purchase of 3M's abrasives. His first inquiries to Judd concerned the method of developing the smoothness and finish or burnish of hammer handles. From Judd, Alexander learned that cork belts were obtainable for wide belt sander machines. In its efforts to obtain a wide belt sander that could be used to sand and finish its doors in accordance with Alexander's ideas, GPC conducted experiments at Mattison Machine Company's plant in Wisconsin in September, 1954 with unsatifactory results. In December, 1954, GPC permitted Timesavers, Inc., to give a public demonstration of its wide belt machine, which was also unsuccessful because the contact roll, like that on the Mattison machine, was too hard and the machine was not wide enough for GPC's doors. The president of Timesavers, Inc., agreed to make a 38-inch wide belt sanding machine with a soft contact roll. A wide belt machine with a soft contact roll was completed by Wicklander Machine Co., for Timesavers, Inc., about April 1, 1955, in compliance with GPC's order placed with Timesavers.

On April 7, 1955, Alexander flew to Chicago and witnessed the operation of the machine at Wicklander's plant in the successful sanding of two hundred doors furnished by GPC for the test. He approved the machine for delivery to GPC and verbally ordered additional machines.

Judd traveled with Alexander on his trip to and from Chicago but did not remain with him during the entire course of the experiment. On the return flight to Louisville they occupied adjoining seats and Alexander explained his ideas and described his buffing experiments to Judd. According to Alexander, he asked Judd to obtain a 38-inch wide cork belt for use on the machine purchased by GPC and Judd agreed to obtain the belt but later advised there would be a delay because cork belt material came in 24-inch widths and it would take some time to get a special order for a 38-inch wide belt.

The wide belt sander was delivered to GPC on May 11, 1955, but delivery of the cork belt to be used on the machine was not obtained until July 7, 1955. In the meantime, the officers of GPC became anxious to observe the results obtained by polishing plywood with a cork belt and Judd offered to conduct a trial on a smaller Timesavers machine at the Reynolds Metals Company plant in Louisville. Alexander accepted Judd's offer in reliance upon the fact that, since GPC was a customer of Judd and his employer, Judd was required to keep in confidence the information disclosed to him by Alexander and obtained in the experiment. Judd made the experiment May 18, 1955, with material furnished him by Alexander and obtained the results which were developed into GPC's microseal process. An application for patent was filed by Alexander on February 20, 1956.

Without disclosing his intention to do so, Judd filed an application for patent in March, 1956. October 9, 1956, Judd's application was granted and United States Letters Patent No. 2,765,598 issued to Judd's employer and assignee, 3M. Then a dispute arose between GPC and 3M as to who was the inventor of the microseal process. By agreement, Alexander and Judd were examined separately by deposition early in 1959, which resulted in the execution of a contract and the dedication of the Judd patent to the public with an agreement on the part of 3M not to contest the validity of the Alexander patent applied for October 10, 1956 and issued March 25, 1958.

3. When the Judd patent was granted October 9, 1956, Alexander's application filed February 20, 1956 was denied by the Examiner in the Patent Office, and an appeal was prosecuted to the Board of Patent Appeals. September 30, 1957, the Board reversed the decision of the Examiner and held that none of the references relied upon by the Examiner taught any claimed process or principle of operation which could be suggestive of the process and operation taught in the Alexander application. Alexander's second application had been filed prior to the Board's decision and had been referred to as "in effect, a renewal of the first application." All of the claims in the first application were reinstated by the decision and were added to and made a part of the claims in the second application. Claim No. 19 in the first application became Claim No. 11 in the second application and reads as follows:

> "The method of providing a substantially flat wood surface with a glossy and relatively non-porous finish comprising; non-abrasively buffing the surface with a buffing medium having a flexible yielding relatively nonabrasive frictional heat insulating rubbing surface moving at a predetermined buffing speed, compressing the buffing medium between a backing member and said wood surface to press the buffing medium into firm and intimate contact with said surface; and correlatively controlling the buffing speed, pressure and time to compress, pressure smooth and densify the surface wood without scorching."

4. The Constitution of the United States, Section 8, Clause 8, empowers the Congress to grant exclusive rights to authors and inventors in promotion of the progress of science and the useful arts. The granting of patents on useful new and novel processes has contributed no small part to the store of patents. Where a patent is scrutinized over a long period of time through tests of the Patent Office, there is an added element to the presumption of validity which attaches to all patents under the provisions of Section 282 of Title 35, United States Code, which pro-

vide, in part: "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it."

It is most significant in this case that neither the Patent Office nor the Board of Appeals ever made any reference to the Judd patent, ever mentioned that it would or could constitute an interference to Alexander's application, or ever required or suggested that Alexander amend any claims to avoid the Judd patent. By amendments, Alexander eliminated from his application any statement that his process involved the application of light pressure upon the wood. This has distinguished his process from that described in the Judd patent. In addition, Judd's patent does not describe his process as depending upon the proper coordination of feed speed, frictional heat, and ultimate compression or densification of the treated portion of the wood.

The Court finds that the Alexander patent involves a process distinguishable from the process claimed in Judd's patent and feels that this finding is reinforced by the failure of the Patent Office to mention the Judd patent at any time as a reference in its consideration of the Alexander application.

5. The foregoing determination that the process of the Alexander patent is distinguishable from that of the Judd patent practically disposes of USP's argument that Alexander's patent became invalid by the doctrine of "File Wrapper Estoppel." This doctrine hinges upon USP's contention that Alexander, having failed to contest an interference proceeding with Judd in the Patent Office, must concede the Judd patent as conclusive and is estopped to contend otherwise. Such contention presupposes that the process described in the Judd patent and the Alexander patent are the same.

A reading of Alexander's file wrapper, a review of the testimony heard at the trial, the limited benefit derived by the Court from witnessing demonstrations at the plants of the parties to this litigation, and the scrutiny Alexander's

applications experienced in the Patent Office, have convinced the Court that his process is an entirely different process from that patented to Judd. Judd did not consider the densification or compression of the wood, did not employ the heat or pressure necessary to produce the so-called compression or densification, and did not provide for the proper coordination of the factors employed by Alexander and set out with particularity in his description of the process and in the claims of his patent.

USP concedes that if the applications of Alexander and Judd embodied separate processes there is no file wrapper estoppel. It is upon the contention that the processes are different that USP mainly bottoms its argument that it has not infringed.

To the Court, the Alexander patent clearly contemplates the use of buffing belts that are non-abrasive or relatively non-abrasive and of non-metallic material. In fact, Alexander expresses a preference for the use of "a surface treating belt of the type having a cork surface" in his description of the process in his patent. I think this distinction is much more clearly set forth in the Alexander patent than in the Judd patent.

6. The Court has determined that all of the evidence from which infringement by USP could be inferred involves its use of 8/0, 9/0 and 10/0 abrasives or sandpaper in treating wood surfaces. There is no proof that USP was using cork or non-metallic abrasives in any of the accused operations; hence, there is no foundation upon which an infringement could be based.

Counsel for GPC said in his opening statement and repeated several times during the presentation of the case that if USP was sanding in its accused operations then there was no infringement. Since, to the Court, a reading of Alexander's description of his process and the claims of his patent contemplated the use of belts that are originally designed as unabrasive or relatively non-abrasive, it would be illogical to conclude that his patent could be in-

fringed by a belt designed and manufactured as an abrasive instrument but which became relatively non-abrasive because it was worn by use. This was referred to on several occasions during the progress of the trial and none of the witnesses for GPC were ever able to give the Court a satisfactory formula by which it could be told when an 8/0, 9/0, or 10/0 belt ceased to be abrasive and became an infringer of the process in the Alexander patent.

The Court also concludes that there was no reliable testimony that GPC has unlawfully, fraudulently, or improperly used its patent or granted licenses thereunder which would furnish any foundation for the admeasurement of damages. Nor is there sufficient evidence to support GPC's counterclaim that USP is guilty of a breach of trust.

CONCLUSIONS OF LAW

It is GPC's contention that the process described in its patent is a valid patentable process as defined by the United States Supreme Court in the case of Cochrane v. Deener, 94 U.S. 780:

> "A process is a mode of treatment of certain materials to produce a given result. It is an act or a series of acts, performed upon the subject-matter, to be transformed and reduced to a different state or thing. If new and useful, it is just as patentable as is a piece of machinery. In the language of the patent law, it is an art.
>
> "The machinery pointed out as suitable to perform the process may or may not be new or patentable; whilst the process itself may be altogether new, and produce an entirely different effect."

The Supreme Court has not given a precise and comprehensive definition of a test by which the legal question of validity of a patent may be determined. The Supreme Court has said, "The standard of patentability is a con-

stitutional standard; and the question of validity of a patent is a question of law." *A. & P. Tea Co. v. Supermarket Corp.*, 340 U.S. 147, 155.

Neither Alexander nor the Patent Office charged or conceded that Alexander's application embodied the same process as that in the Judd patent. The fact that experimentation or the exercise of judgment is necessary to adapt a patented process to a particular material or to obtain the particular results desired does not impair the validity of the patent. *Lever Bros. Co. v. Procter & Gamble Mfg. Co.*, 4 Cir., 139 F. 2d 633 (1943); *Binks Mfg. Co. v. Ransburg Electro-Coating Corp.*, 7 Cir., 281 F. 2d 252 (1960).

The law places the burden of establishing invalidity of a patent upon the person asserting it. Section 282 of Title 35, United States Code. In this case the long period of time employed by the Patent Office in considering the Alexander applications, and the obstacles and opposition which the applications encountered in the Patent Office add to the presumption of the validity of the patent *Modern Products Supply Co. v. Orachenberg*, 6 Cir., 152 F. 2d 203 (1945).

USP contends that the Alexander patent became invalid under the doctrine of "File Wrapper Estoppel." Its argument in support of this contention merely asserts the principle that if an applicant intends his claims to cover the subject matter of a previously issued patent he is under a duty to copy the claims of the prior patent and contest the priority of invention in interference proceedings. *McIlvaine Patent Corp. v. Walgreen Co.*, DC Ill., 44 F. Supp. 530 (1942). Although GPC cannot litigate the issue of priority in this Court, it can and does claim that Alexander's patent describes a process which is not disclosed in the Judd patent, and the Court has determined that the processes of the two patents are not the same.

CONCLUSION

The Court concludes in this case (1) that the Alexander patent is valid and GPC is not estopped in the enjoyment of any benefit which a valid patent gives to its owner, and (2) that the proof is inadequate to establish infringement upon the patented process by the plaintiff USR.

A judgment to this effect will be entered and counsel may present judgment in accordance with the findings and conclusions herein made.

March 10, 1964.

Roy M. Shelbourne
United States District Judge

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JUDGMENT OF THE UNITED STATES DISTRICT COURT

W.D. Kentucky at Louisville

(Entered June 15, 1964)

This action having been tried, briefed, and orally argued, and the Court having filed a memorandum opinion on March 10, 1964, which opinion constitutes the Court's findings of fact and conclusions of law, and the plaintiff and defendant each having tendered to the Court a form of judgment, and the Court, having considered each of said proposed judgments, now rejects same, and

IT IS ORDERED, ADJUDGED AND DECREED:

(1) Alexander Patent No. 2,827,935 issued March 25, 1958, is owned by the defendant, General Plywood Corporation;

(2) Said Alexander patent, as construed by this Court, is valid;

(3) Said Alexander patent has not been infringed by the plaintiff, United States Plywood Corporation;

(4) To the extent that the complaint seeks a declaratory judgment that said Alexander patent is invalid or has been misused, the complaint is dismissed;

(5) Defendant's counterclaim for infringement of said Alexander patent and breach of trust is dismissed, and

(6) The Court, in the exercise of its discretion, orders that each party shall pay its own taxable costs incurred in this action.

June 15, 1964.

Roy M. Shelbourne
United States District Judge

A Copy: Attest

Martin R. Glenn, Clerk
By Loraine Miller
Deputy Clerk

OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Nos. 16194-95

UNITED STATES COURT OF APPEALS
For the Sixth Circuit

United States Plywood Corporation,
Plaintiff-Appellee,
v.
General Plywood Corporation,
Defendant-Appellant.

United States Plywood Corporation,
Plaintiff-Cross-Appellant,
v.
General Plywood Corporation,
Defendant-Cross-Appellee.

Appeals from the United States District Court for the Western District of Kentucky.

Decided December 28, 1966.
(as amended by Order of February 8, 1967, p. 68)

Before: PHILLIPS, EDWARDS and CELEBREZZE, Circuit Judges.

EDWARDS, Circuit Judge. These appeals represent the culmination of a bitter controversy between a giant member of the plywood industry and a somewhat smaller competitor.

United States Plywood is the biggest of American plywood manufacturers. General Plywood is a substantial manufacturer of plywood doors based in Louisville, Kentucky. At the relevant times in this record the whole industry was adversely affected by the entrance into the United States market of Japanese plywood imports. And at the time also more and more plywood panels were being

sold in factory finished form for interior use in housing and office building.

The industry prepared such panels for factory finishing (or for sale to the construction industry unfinished) by running the panels through a series of machine sanders (usually three). The first such machine employed a rough sandpaper of 1/0 grit; the next two were progressively finer. It appears that the finest in general use by the industry at this stage, prior to the event we deal with, was 4/0 grit.

This sanding produced plywood panels ready for finishing and termed in the industry "wood in the white." The surface while relatively smooth was porous, somewhat fibrous, absorptive and without gloss or sheen.

Subsequently, to change all these surface characteristics, finishing required filler, stain, lacquer and polishing. Each of these processes when done at the factory required one or more machine passes with consequent production costs.

In 1954, George E. Alexander, Production Manager of General Plywood, conceived the idea of "buffing," "polishing," or "burnishing" the "wood in the white" panel at this stage before the finishing process. He first tried a cloth buffing wheel which produced some of the effect he was seeking, but with irregularities, including scorch marks, which made the result unsatisfactory. Pursuing the effort, Alexander experimented with a patented "Timesaver" machine, which was capable of production processing of plywood sheets. This machine had adjustable feed and roll speeds and roll pressures. Ultimately Alexander ordered a specially constructed Timesaver with a 38-inch roll. The only individual feature added to this machine (other than width) was a special "soft contact roll."

Alexander discussed his proposed process with one Oliver S. Judd, of Minnesota Mining & Manufacturing Company (a leading abrasive manufacturer) and inquired as to what was "used to polish hammer handles." Judd answered, "cork belts," and Alexander thereupon ordered a specially

fabricated 38-inch wide cork belt for the Timesaver machine. Both the Timesaver machine and the 3M cork belt were the subject of pre-existing patents. But it does not appear that the two had previously been employed in combination to "buff," "polish," or "burnish" wood in the white plywood panels. When feed speed and roll speed and pressure were adjusted so that panels were fed through the machine at approximately 90 feet per minute, with a one inch (or less) band of contact where surface heat of upward of 400 degrees was generated, the effect which Alexander was looking for was produced. The surface was smoother, glossier, less absorptive, and (as Alexander termed it) "densified." Alexander called the new process "microsealing."

In these stages Alexander worked closely with Judd of 3M and with Pendergast of Timesavers. When Alexander became convinced that he had a commercially valuable process (he terms it "revolutionary"), he (and General Plywood) set out to patent it. At that point General Plywood discovered that Judd, on behalf of 3M, had also applied for a patent without notice to Alexander or General Plywood.

Judd's patent application was dated March 27, 1956, and on October 9, 1956, the patent was granted to him. Alexander's patent application was dated October 10, 1956,[1] and the examiner denied the patent.

Subsequently, the Board of Patent Appeals reversed the examiner and granted the Alexander patent, after finding it not anticipated by prior-art (apparently including the Judd patent). Litigation between General Plywood, assignee of Alexander's patent, and 3M, assignee of the Judd patent, resulted in dedication to the public of the Judd patent and an agreement by 3M not to contest validity of the Alexander patent.

The Alexander patent is best described briefly, we think, by quoting Claim 11:

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[1] Alexander had previously filed a "first application" in relation to much the same process on February 20, 1956. This application ultimately was abandoned.

"The method of providing a substantially flat wood surface with a glossy and relatively non-porous finish comprising; non-abrasively buffing the surface with a buffing medium having a flexible yielding relatively non-abrasive frictional heat insulating rubbing surface moving at a predetermined buffing speed, compressing the buffing medium between a backing member and said wood surface to press the buffing medium into firm and intimate contact with said surface; and correlatively controlling the buffing speed, pressure and time to compress, pressure smooth and densify the surface wood without scorching."

For further consideration, particularly of the problems of validity and infringement, other paragraphs elaborating the process described in the Alexander patent application are relevant:

"The principal object of this invention is to provide a novel wood surface treating process which can be simply and inexpensively carried out and which results in the substantial improvement of that surface in one or more respects such as increased hardness, smoothness and reflectivity and reduced porosity and absorbency.

"Another important object is to provide a wood glossifying process which can be performed at high speed on a straight through production line conveyor.

"Another important object of this invention is to provide a novel and inexpensive frictional method for changing the structure of the wood along the surface without changing the underlying structure and, through such change, to effect a substantial increase in surface smoothness and a substantial decrease in its ability to absorb finishing or other materials.

"Another object of this invention is to provide a new and novel process for producing a wood product having its surface wood structure of relatively greater density and finer texture than the density and texture of the underlying natural wood structure."

• • •

"It should be noted that I preferably employ a surface treating belt of the type having a cork surface, e.g., as exemplified by the belts presently made under U. S. Patent No. 2,542,058, except that the very mild abrasive sometimes employed in such cork belts is unnecessary and may be omitted. Any other flexible, yielding, relatively nonabrasive frictional rubbing medium or frictional belt material, such as canvas, or other cloth made of natural or synthetic fibers, may be employed so long as it is capable of frictionally developing the requisite temperature when the requisite operating conditions are employed, and of withstanding both the operating temperatures and pressures. It will be observed that these belts provide a flexible, frictional, relatively nonabrasive buffing or rubbing and somewhat yielding surface composed of nonmetallic material. Since this material, in comparison with metal, is a relatively poor conductor of heat or a good heat insulator, it may be aptly described as a heat insulating material."

• • •

"The process, however, is essentially a nonabrasive process, as is clear from the fact that even a very light pencil mark made on a piece of wood before treatment is not removed therefrom during the surface treatment."

• • •

"[S]uperior results are achieved by the apparatus illustrated in the drawing wherein the surface of the wood is heated directly by friction and it is a simple matter to obtain relatively uniform pressure between the friction member and all portions of the wood surface and hence uniform heating and densification even though the wood surface is not perfectly flat. In that connection, the use of a rubber or other yielding sleeve on drum 10 helps to distribute the pressure uniformly over the surface even though the surface is not per-

fectly flat and the sheet of wood is relatively rigid. . . ."

"It is extremely difficult to determine the precise temperatures and pressures which obtain in the practice of this invention with the apparatus of the drawing. I am well satisfied that the minimum temperatures employed should fall within the softening-melting range (400° F. 525° F.) of the heat plasticizable content of the wood. I am equally well satisfied that the momentary operating temperatures employed may and preferably do greatly exceed that range so long as the contact time is reduced sufficiently to prevent charring of the surface wood in all instances and scorching in those instances where it is objectionable.

• • •

"Since the desired results are achieved when the temperatures developed are high and only surface wood is heated it is desirable to complete the treatment with the apparatus of the drawing within a time period of no more than 1/5 of a second, and preferably within a period not exceeding 1/18 of a second. The period of treatment is determined by the width of the wood surface contacted under pressure by the friction member and the rate of feed of the work. With a 16-inch rubber covered drum it is estimated that the width of the band of contact is no more than 3/4" when the pressure applied by feed roller 21 is 7½ pounds per lineal inch of roller length.

"The temperature developed during the treatment for any given rate of work feed and width of pressure contact depends on the pressure and the belt speed, increasing as either or both of these factors increase and vice versa. The best results are achieved when the temperature developed closely approaches the scorching temperature for the treatment time employed. . . ."

• • •

"It will be apparent from the above that the essential requirements of the invention as practiced by a friction member are that the desired degree of permanent compression be obtained in a short time and that the pressures, the speed of the friction member and the rate of work feed may be varied widely, if properly correlated to meet those requirements. However, as a guide in determining any desired proper combination of pressures, speeds and feeds in accordance with the above principles, it may be stated that excellent results on birch plywood have been obtained with the apparatus of the drawing under the following conditions:

"Diameter of drum 10 — —	16".
Work feed — — — — —	90 ft. per minute.
Belt speed — — — — —	4000 ft. per minute.
Force exerted by roller 15 —	7½# per lineal inch.

"Under the above conditions the contact time is 1/18 of a second or less for a contact band of one inch or less and the temperature closely approaches the scorching temperature which is believed to be in the neighborhood of 620° F for that treatment time. This is indicated by the fact that under the conditions stated a very slight indication of scorching is noted at rare intervals. This can be avoided, if desired, and excellent results achieved by increasing the feed rate to 125 feet per minute." United States Patent No. 2,827,935.

Prior to the issuance of Alexander's patent, General Plywood announced its new process and put the products on the market. It also began actively seeking to interest licensees in its process and succeeded in doing so. As a result, through advertising, through stores, in the Wall Street Journal, and through demonstrations of the process to prospective licensees, General Plywood revealed the process in some or all of its relevant aspects to many potential licensees—and/or competitors. Among these was the giant of the industry, U. S. Plywood.

It is clear that from the beginning U. S. Plywood regarded General Plywood's "Microsealing" as new and as competitvely important. Its president, S. W. Antoville, ordered U. S. Plywood's Louisville agent to purchase and forward a microsealed door for U. S. Plywood's examination and tests. He also ordered one of their salesmen to visit General Plywood's Louisville plant and learn what he could about the process.

General Plywood's reaction appears to us to have been an eager welcoming of U. S. Plywood's interest. At the first visit of the U. S. Plywood's salesman, General Plywood's president, Henry M. Reed, told him that he would like to talk to Antoville. Reed wrote Antoville on October 15, 1956 (just after Alexander filed his patent application):

> "Our investigations lead us to believe we will obtain strong patents, otherwise, we would not bother to spend the money to attempt to obtain them.
>
> "To me it is a one way street. We license companies. If we should not obtain a patent, then our licensees are already 'in business' with the process and have all the techniques and 'know how.' They discontinue paying royalties on the process and we are 'out of luck.'"

There is no doubt at all that U. S. Plywood commenced its investigation of the Microseal process with a view toward finding a way to match its results or, as a reluctant alternative, negotiation of a licensing agreement. Unfortunately for General Plywood, U. S. Plywood found a method fairly readily at hand.

Acting on 3M advice, it found that it could employ a fine sanding operation which was already being used in the industry for finish polishing to achieve on wood in the white plywood panels results at least quite similar to those produced by the microsealing. U. S. Plywood thereupon notified General Plywood that it was not interested in taking a microsealing license and proceeded with the fine sanding procedure outlined above, which it named "Micro-Fine."

Subsequently, when its patent had been issued, General Plywood served U. S. Plywood with written notice of infringement. U. S. Plywood responded with a suit attacking the validity of General Plywood's patent and seeking a declaratory judgment of noninfringement and of patent misuse. Thereupon General Plywood, by counterclaim asserted validity of its patent, alleged infringement and breach of trust by U. S. Plywood and claimed damages.

This then brings us to the two major issues of validity and infringement. The District Judge found the patent valid but not infringed.

Alexander's patent was issued upon a process or a method. The machine he employed was built and patented by others. The cork belt he employed was patented by 3M. But in the view of the District Judge (and in ours) there was novelty and utility sufficient to warrant a finding of invention in Alexander's method of applying these two to the treatment of wood in the white. As the District Judge noted, a process or method may be the subject of a patent. Patent Act of 1952, 66 Stat. 197, 35 U.S.C. §101 (1964 ed.);[1] *Cochrane v. Deener*, 94 U.S. 780 (1876).

These novel features of the Alexander process may be noted:

1) The cork belt, though previously used for polishing wood, had never been employed for treating plywood panels in the wood in the white stage.

2) The employment of a resilient roll for a panelwide cork belt on a Timesaver machine achieved a uniformity of treatment not successfully achieved before.

3) The employment of relatively high speeds and pressures correlated to achieve the impact of heat just below

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[1] "§101. *Inventions patentable.* Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. §101 (1964 ed.).

scorching helped to achieve a surface smoothness, density and gloss in one machine operation which made subsequent finishing operations substantially simpler and less expensive.

In *Cochrane v. Deener, supra,* the Supreme Court said:

> "A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject matter to be transformed and reduced to a different state or thing. If new and useful, it is just as patentable as is a piece of machinery. In the language of the patent law, it is an art. The machinery pointed out as suitable to perform the process may or may not be new or patentable; whilst the process itself may be altogether new, and produce an entirely new result. The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence." *Cochrane v. Deener, supra,* at 788.

The Alexander process was both new in the industry and of great commercial value. While prior-art (including the Judd patent) taught something about each of the cited features, no prior-art taught the application of all of these features in the combination indicated at the point in the plywood manufacturing process taught by Alexander's patent.

Nor do we think that Alexander's process was an obvious development to any mechanic skilled in the art. The problems solved had existed for years in the industry and had resisted the efforts of others skilled in the art.

We believe the record supports the District Judge's finding that the Alexander patent is valid. The District Judge in upholding validity relied strongly upon the statutory presumption of validity accorded to a patent, like Alexander's, which was regularly issued by the United

States Patent Office. Patent Act of 1952, 35 U.S.C. §282 (1964 ed.). Without disregarding the force of this presumption, we feel it important to note also that our review indicates to us that Alexander's patent meets the statutory tests of utility, novelty, and non-obviousness (Patent Act of 1952, 35 U.S.C. §§101, 102, 103 (1964 ed.); *United States v. Adams*, 383 U.S. 39 (1966)). We likewise feel that Alexander's patent meets the Constitutional standard of invention (U. S. Const. art. I, §8, cl. 8).[2] That standard has been described as including "Innovation, advancement, and things which add to the sum of useful knowledge. . . ." *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966).

While, as we will point out, the District Judge ultimately found noninfringement of this patent, we feel he was correct in passing squarely on its validity. The issues raised by cross-filed pleadings are complex. Validity is squarely attacked by the original plaintiff. And the case has involved a lengthy trial of complex facts, most of them bearing directly upon this issue. We believe ample precedent supports his passing on validity in the decree. *Sinclair Co. v. Interchemical Corp.*, 325 U.S. 327 (1945); *Altvater v. Freeman*, 319 U.S. 359 (1943); *Sparton Corp. v. Evans Products Co.*, 293 F.2d 699 (C.A. 6, 1961), *cert. denied*, 368 U.S. 967 (1962). This controversy has no resemblance to a fictitious suit designed to achieve an advisory opinion. Cf. *Cover v. Schwartz*, 133 F.2d 541 (C.A. 2, 1943), *cert. denied*, 319 U.S. 748 (1943).

The District Judge's finding on the infringement question was: "(3) Said Alexander patent has not been infringed by the plaintiff, United States Plywood Corporation; . . ."

His reasoning follows:

"To the Court, the Alexander patent clearly contemplates the use of buffing belts that are non-abra-

[2] The federal patent power stems from a Constitutional provision which authorizes Congress "To promote the progress of . . . useful arts, by securing for limited times to . . . inventors the exclusive right to their . . . discoveries." U. S. Const. art. I, §8, cl. 8.

sive or relatively non-abrasive and of non-metallic material. In fact, Alexander expresses a preference for the use of 'a surface treating belt of the type having a cork surface' in his description of the process in his patent. I think this distinction is much more clearly set forth in the Alexander patent than in the Judd patent.

"The Court has determined that all of the evidence from which infringement by USP could be inferred involves its use of 8/0, 9/0 and 10/0 abrasives or sandpaper in treating wood surfaces. There is no proof that USP was using cork or non-metallic abrasives in any of the accused operations; hence, there is no foundation upon which an infringement could be based.

"Counsel for GPC said in his opening statement and repeated several times during the presentation of the case that if USP was sanding in its accused operations then there was no infringement. Since, to the Court, a reading of Alexander's description of his process and the claims of his patent contemplated the use of belts that are originally designed as unabrasive or relatively non-abrasive, it would be illogical to conclude that his patent could be infringed by a belt designed and manufactured as an abrasive instrument but which became relatively non-abrasive because it was worn by use. This was referred to on several occasions during the progress of the trial and none of the witnesses for GPC were ever able to give the Court a satisfactory formula by which it could be told when an 8/0, 9/0, or 10/0 belt ceased to be abrasive and became an infringer of the process in the Alexander patent."

We affirm this finding also.

General Plywood described its treating belt as "non-abrasive" or "relatively non-abrasive," "non-metallic," "flexible," and "yielding." None of these descriptive terms are appropriate to describe the 10/0 aluminum oxide grit sandpapers which United States Plywood employed.

We do not ignore General Plywood's argument that U. S. Plywood's results were really achieved by either the crushing of the grit on the "modified" belts, or the use of worn belts, or by the rapid filling of the belts with wood particles so as to terminate any substantial abrasive action. We have, however, noted in the record testimony which certainly constitutes substantial evidence that the 10/0 sanding employed by U. S. Plywood did remove significant amounts of stock. Observers testified to visible dust and the necessity of dust collectors on the "Micro-Fine" process where General Plywood contends such were not necessary in microsealing.

Infringement is generally a question of fact for the trial court. On review this court does not reverse a finding of non-infringement unless we can say it is "clearly erroneous." Rule 52(a) Fed. R. Civ. P.; *Toledo Scale Corp. v. Westinghouse Electric Corp.*, 351 F.2d 173 (C.A. 6, 1965); *Maytag v. Murray Corp. of America*, 318 F.2d 79, 82 (C.A. 6, 1963).

We do not think that this record allows us to say that the District Judge's finding of noninfringement was "clearly erroneous." The trial judge heard extensive testimony for 40 trial days. Much of the evidence on infringement was conflicting. We think the view he took of the evidence was at least a "permissible" one and hence not clearly erroneous. *United States v. Yellow Cab Co.*, 338 U.S. 338, 342 (1949).

Over and above what we have already said on the issue of infringement and at least somewhat persuasive to us is the fact that the record appears to demonstrate that what U. S. Plywood did was essentially to move a fine sanding operation which was already being used in the industry for finish polishing to an earlier point in the production process and apply it to wood in the white panels. If Alexander's patent should be broadly enough construed so as to apply to this operation, then it would be hard to ascribe to it the novelty, as opposed to prior-art, which is required for invention.

The District Judge found that General Plywood was not guilty of misuse of its patent. We agree. This record provides no indication that the patent in suit is being employed for leverage to sell either other patents or other unpatented goods and services. *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942); *Rocform Corp. v. Acitelli-Standard Concrete Wall, Inc.*, —— F.2d —— (C.A. 6, 1966). Decided October 11, 1966.

U. S. Plywood alleges that the product "tied-in" was a resin sold by Reichhold Chemical, Inc. But no microseal licensee was required to purchase this resin; nor was any company refused a license under the Alexander patent because of failure to purchase this resin.

The District Judge also found that U. S. Plywood had not been guilty of breach of trust.

The fundamentals required for such an action, as stated in Restatement of the Law, Torts, §757, are:

"§757. *Liability for Disclosure or Use of Another's Trade Secret—General Principle.*

"One who discloses or uses another's trade secret without a privilege to do so, is liable to the other if

"(a) he discovered the secret by improper means, or

"(b) his disclosure or use constitutes a breach of confidence reposed in him by the other in disclosing the secret to him, or

"(c) he learned the secret from a third person with notice of the facts that it was a secret and that the third person discovered it by improper means or that the third person's disclosure of it was otherwise a breach of his duty to the other, or

"(d) he learned the secret with notice of the facts that it was a secret and that its disclosure was made to him by mistake."

What we have already said on the issue of infringement argues strongly for affirmance on this issue likewise. This record supports the District Judge's view that U. S. Plywood did not employ the process which General Plywood disclosed.

Additionally, we note that this record does not support a finding of breach of a confidential disclosure. This record discloses no effort at maintaining secrecy of the process in General Plywood's plant. Its employees were not even warned against disclosure. It is also apparent to us, as it was to the District Judge, that General Plywood actively sought licensing agreements with many firms in the plywood industry, including U. S. Plywood. In this process it necessarily made a variety of disclosures. In doing so it appears to us, as it did to the District Judge, that it neither made any effort at maintaining secrecy of its process nor at securing an agreement for confidentiality. *Hamilton Mfg. Co. v. Tubbs Mfg. Co.*, 216 Fed. 401 (W.D. Mich. 1908).

U. S. Plywood clearly sought to learn all it could about General Plywood's process. But General Plywood's revelations were the eager revelations of a prospective licensor to a prospective licensee. General Plywood asked for no agreement of confidentiality from U. S. Plywood—and received none. Having chosen to rely solely upon its patent rights for protection, and having failed to keep its process secret prior to grant of the patent, General Plywood is not now in a position to sustain an action for breach of trust. *Huszar v. Cincinnati Chemical Works, Inc.*, 172 F.2d 6, C.A. 6, 1949).

At best this can only be described as a close and difficult case. The District Judge did not abuse his discretion in requiring each party to pay its own costs.

Affirmed.

JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

(No. 16,194)

(Filed December 28, 1966)

Before: PHILLIPS, EDWARDS and CELEBREZZE, Circuit Judges.

Appeal from the United States District Court for the Western District of Kentucky

This Cause came on to be heard on the record from the United States District Court for the Western District of Kentucky and was argued by counsel.

On Consideration Whereof, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

It is further ordered that each party pay its own costs on appeal.

Entered by order of the Court.

/s/ Carl W. Reuss,
Clerk

PETITION BY DEFENDANT-APPELLANT FOR REHEARING AND FOR REVISION OF OPINION

(Appeal No. 16,194)

Now comes the Appellant, General Plywood Corporation, and petitions the honorable Court for a rehearing of its Appeal No. 16,194 under Rule 22 and to revise the Opinion of the Court on the grounds that the Court's Opinion filed December 28, 1966 contains the following errors:

1. *The Court overlooked the undisputed fact that the Alexander patent, in suit, had an effective filing date of February 20, 1956 by reason of an earlier-filed application on the same subject matter. This filing date is prior to the filing date of the Judd patent. Consequently, the Judd patent is not prior art against the Alexander patent and it was not so treated by the Patent Office. The contrary is twice*

suggested at page 3 of the Court's Opinion, and erroneous parenthetical statements to this effect appear at the tops of pages 8 and 10.

The District Court noted that the Alexander application was filed *before* the Judd application (45a). The Alexander patent specifically mentions the February 20, 1956 application in the first paragraph of the specification.[1] This is more than a month earlier than the Judd filing date of March 27, 1956. The Alexander patent is entitled to the benefit of the February 20, 1956 filing date in accordance with the explicit provisions of the controlling statute, 35 USC 120:

> "An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

The fact that the Alexander patent is entitled to the benefit of the early filing date and that Alexander filed before Judd had never been contested and has been recognized by USP throughout the litigation (see, e.g., USP's Main Brief dated October 13, 1965, p. 11, where it is stated, "In broad outline, Alexander filed a first application on February 20, 1956. Shortly thereafter, on October 10, 1956, Alexander filed a second co-pending application for the same invention").

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[1] Col. 1, lines 15-19, 3057a. The specification of the early application, which was copending with the later application, is printed at 2934a-41a.

Correction of this error is believed to be important not only because of its possible unfavorable influence on the Court's determination as to the scope of the Alexander patent, but because the apparent treatment of the Judd patent as prior art may have an adverse effect on the validity of the Alexander patent in an action now pending in another Judicial Circuit.

2. The Court erred in stating at page 8 of its Opinion that the "Micro-Fine" operation adopted by U.S. Plywood "was already being used in the industry for finish polishing". This was repeated at page 13.

The Court's reference to "finish polishing" undoubtedly refers to the undisputed evidence that sheets of 10/0 waterproof silicon carbide grit sandpaper had been used to rub down varnish and lacquer top coats. This, however, is totally unlike the accused process because it is a pure cutting operation in which every effort is made to avoid softening the lacquer or varnish by heat.[2] For that reason, the top coat rubbing operation is performed by hand with sheets of sandpaper or with hand manipulated vibrating machines and at exceedingly light pressure,[3] and the surface is usually wet with water or kerosene.[4] This lacquer or varnish is a solid film which could not be densified, even if softened by heat,[5] as contrasted with white wood which is porous and is heat softened, compressed and densified by

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[2] USP'S Hemming, 737a-8a, Judd 96a.

[3] Fishleigh, 1799a, Judd, 96a. The pressures used are a tiny fraction of that employed in any accused operation, Fishleigh, 1432a, 1678a-9a, 1799a. For photographs and descriptions of the top coat rubbing operations, see pages 231 and 232 of "Coated Abrasives—Modern Tool of Industry", PX 3M 279 and page 10 of "The 3M System for Sanding and Varnishing Wood", PX 3M 2, neither of which were printed in the Appendix, apparently because U. S. Plywood did not rely on this prior art operation.

[4] Baker, 348a-50a, Judd, 96a, PX 1055, Tab. 24, 3107a, PX 3M 21, 2736a-7a. This necessitates the use of a waterproof sandpaper material wholly unlike the glue bonded aluminum oxide grit belts used by U.S. Plywood in the accused operations.

[5] Fishleigh, 1691a.

the accused process. Finally, such finishing operations in the prior art were never done by any type of belt machine let alone the wide belt machine, which is used in the accused process.

U.S. Plywood *never* challenged the patent on this ground nor urged to this Court that the prior use of fine grits to rub down varnish and lacquer coats had any relevancy to the question of the validity or scope of the Alexander patent. On the contrary, U.S. Plywood's Director of Research and Development at its Orangeburg plant,[6] Mr. Edmund Oeffinger, stated, "I can make no comparison, the two processes are so entirely different".[7] Nor did the District Court make any finding in conflict with Oeffinger's testimony.

This error had grave consequences because the Court went on to say that, in view of the prior use of fine grits for finish sanding, "If Alexander's patent should be broadly enough construed so as to apply to this operation, then it would be hard to ascribe to it the novelty, as opposed to prior-art, which is required for invention."

3. The Court erred in stating, at page 8 that the accused Micro-Fine process adopted by U.S. Plywood was a "fine sanding operation", and in basing its decision, at least in part, on the statement, at page 12, that there was "substantial evidence that the 10/0 sanding employed by U.S. Plywood did remove *significant amounts of stock".*

The parties have established by independent tests, which are in complete agreement, that the amount of wood removed in the accused 10/0 operation and by the cork belt process of the Alexander patent is essentially the same. There is no conflict in the evidence on this point.[8] Therefore, the fact that *some* wood is removed in the perform-

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[6] Oeffinger, 949a.

[7] Oeffinger, 961a.

[8] USP's tests: Back 298a, Oeffinger 971a; GPC's interparty tests: DX2097, 3569a, Fishleigh 1582a-4a.

ance of the accused process is *not* a basis for distinguishing it from the microseal process.

As far as the requirement for a "relatively nonabrasive" rubbing material is concerned, it is admitted by USP that the test of abrasiveness of a wood-rubbing operation is the amount of wood removed;[9] and tests run separately by *both* parties show that the cork belt operation and the accused 10/0 operation remove less than one-fifth the amount of wood removed in a 6/0 sanding operation,[10] which is a finer sanding operation than it was customary to use on white wood prior to the Alexander patent and finer than any U.S. Plywood had ever used in its commercial white wood sanding.[11] This clearly supports the claim requirement that the rubbing medium be "relatively nonabrasive".

The erroneous conclusion by the Court that the U.S. Plywood 10/0 operation was distinguished from microsealing by reason of the fact that it was accompanied by the removal of stock may well have resulted from the Court's belief that "Counsel for GPC" had conceded that "if USP was sanding in its accused operations then there was no infringement". The District Court erroneously attributed this statement to counsel for GPC, and this Court adopted the District Court's finding based on that error (top of page 12 of Opinion). The only statement along these lines made by counsel for GPC was that there would be no infringement if U.S. Plywood was "just sanding".[12] U.S. Plywood (in answer to Interrogatories) had previously admitted that in a sanding operation no densification results, and counsel for GPC was merely saying that if U.S. Plywood was doing *no more than* removing wood it was not infringing.

U.S. Plywood's accused process *does* remove wood, but it is not "*just* sanding", for it heats and compresses and densifies the surface wood and produces the additional re-

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[9] Back, 288a.

[10] USP's tests: PX1006, 2900a-13a, Back, 253a-4a, 309a-10a; GPC's tests: DX2097, 3569a, Fishleigh, 1582a-4a.

[11] USP's Answer to Interrogatories, 133 and 134, 3441a-2a. Request for Admissions 12, 3456a-7a.

[12] 31a-3a, 55a.

sult of increased hardness, smoothness and reflectivity and reduced porosity and absorbency, as the patent states (page 4 of Opinion). U.S. Plywood introduced its commercial use of the process with the announcement that it was achieving *precisely those same* additional results which characterize and distinguish microsealing.[13]

4. Miscellaneous errors.

It was error to adopt the District Court's conclusion that "it would be illogical to conclude" that the patent in suit "could be infringed by a belt designed and manufactured as an abrasive instrument but which became relatively non-abrasive because it was worn by use". Clearly, the purpose for which the belt was designed and manufactured has nothing to do with the question of what it *does* when *used* in a *manner* and on a *material* not contemplated by the designer or manufacturer. The evidence shows and U.S. Plywood admits that the Micro-Fine process reduces the porosity and absorbency of the wood. Neither the 10/0 belt nor the cork belt was designed for *that* purpose, *and it is for that very reason that the process as practiced with either is a startling departure from the prior art.*

It is not necessary to establish by "formula" or otherwise *"when"* the belts used in the accused operations cease to be abrasive because U.S. Plywood has established by its own evidence that its belts *as actually used* in the accused operations are relatively nonabrasive.

The term "non-metallic" is *not* a limitation in *any* of the claims and was not asserted by U.S. Plywood prior to this Appeal as a basis for distinguishing its process from that of the patent. There is *no* evidence in the record supporting the finding that U.S. Plywood's belts are "non-metallic", and neither the aluminum oxide grits themselves, which are corundum and thus chemically and structurally indistinguishable from a ruby,[14] nor the belt as a whole is metallic.

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[13] Admission 77 by USP, 3493a-4a.

[14] See Webster New International Dictionary, Second and Third Editions definitions of "ruby" and "corundum".

Any belts designed to run over pulleys or rolls are necessarily and inherently "flexible" in the sense of the patent and, because the belts used in the accused process are flexible and backed up by a soft roll, they are "yielding".

5. The Court erred in concluding that there was no infringement.

It is respectfully submitted that correction of the errors referred to above would remove all foundation for the Court's conclusion that there is no infringement. Not only will it then be clear that the patent is entitled to a broader construction without jeopardizing its validity, but that U.S. Plywood has admitted that the accused Micro-Fine process and the cork-belt process of the patent in suit are indistinguishable as regards the results achieved, the relative abrasiveness of the rubbing media employed, and the way in which the rubbing operation is performed. These facts establish infringement and do not depend upon evaluation of conflicting evidence.

For the reasons set forth above, a rehearing of the Appeal No. 16,194 and revision of the Court's Opinion of December 28, 1966 is respectfully requested.

It is certified by the undersigned, counsel for Appellant, that this Petition is presented in good faith and not for purposes of delay.

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ORDER BY THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Nos 16,194-95

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

(Filed February 8, 1967)

United States Plywood Corporation,
Plaintiff-Appellee,
v.
General Plywood Corporation,
Defendant-Appellant.

United States Plywood Corporation,
Plaintiff-Cross-Appellant,
v.
General Plywood Corporation,
Defendant-Cross-Appellee.

Before: Phillips, Edwards and Celebrezze, Circuit Judges

On motion of defendant-appellant, General Plywood Corporation, entitled Petition for Rehearing and for Revision of Opinion, the opinion of the court announced December 28, 1966, is hereby revised by the substitution of the word "also" for the word "already" on page 3 line 18, and by the addition of a footnote referable to the date "October 10, 1956" on page 3 line 22 as follows:

> "1. Alexander had previously filed a "first application" in relation to much the same process on February 20, 1956. This application ultimately was abandoned."

Otherwise defendant-appellant's petition for rehearing, all issues thereof having been carefully considered previously, is denied.

Entered by order of the Court.

/s/ Carl W. Reuss,
Clerk.

CLAIM 7 OF THE ALEXANDER PATENT IN SUIT

Claim 7 (R 3061a) of G. E. Alexander Patent 2,827,935, in suit (R 3056a-62a)

7. A method of treating wood, comprising: providing a product having a relatively smooth and flat porous wood surface; moving that product edgewise relatively along a predetermined path extending longitudinally through a transverse work plane; moving an endless flexible rubbing medium, having a yielding relatively nonabrasive frictional heat insulating rubbing surface, at a relatively high rubbing speed toward and away from said surface at and along said transverse work plane; pressing said rubbing medium with a backing member into firm intimate frictional engagement with said wood surface to maintain a transversely extending band of rubbing contact therewith at and along said work plane; controlling the magnitude of the relative product speed through said work plane at a value providing momentary rubbing contact time of the order of a fraction of a second for each inch of contact band width; and correlatively controlling the magnitudes of the rubbing pressure against said surface and the rubbing speed relatively to the surface at values causing said medium, during its momentary time of contact with a given area of said wood surface, not only to generate frictional heat on said surface at the elevated temperature level required for heat plasticizing said wood surface along said work plane without plasticizing the underlying wood throughout its depth but simultaneously to pressure smooth and densify the surface wood without densifying the underlying wood throughout its depth.

SUPREME COURT, U. S.
Office-Supreme Court, U.S.
FILED
JUL 1 1967
JOHN F. DAVIS, CLERK

No. 125

IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

GENERAL PLYWOOD CORPORATION,
Petitioner,

v.

UNITED STATES PLYWOOD CORPORATION,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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July 3, 1967.

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No. 1351

IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

GENERAL PLYWOOD CORPORATION,

Petitioner,

v.

UNITED STATES PLYWOOD CORPORATION,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Certiorari is not granted merely to review evidence in an "ordinary patent case, with the usual issues of invention, breadth of claims and non-infringement."[1] That is all this petition seeks. This is an ordinary cause of action for alleged patent infringement in which the District Court correctly found the patent in suit to be not infringed. The Court of Appeals affirmed the District Court, and re-affirmed its own decision of non-infringement by denying petitioner's[2] petition for rehearing.

[1] *Keller* v. *Adams-Campbell Co.*, 264 U. S. 314, 319 (1923); *Layne & Bowler Corp.* v. *Western Well Works*, 261 U. S. 387 (1922).

[2] Petitioner is sometimes hereinbelow called General Plywood Corporation or G.P.C.

The lower court decisions do not conflict with decisions of this Court or other Courts of Appeals. Nor do they present any unusual questions of law or questions of any public importance.

Petitioner's real complaint is that it was unsuccessful in meeting its burden of bringing forth sufficient evidence to support its claim of infringement. It seeks by this petition to reargue the weight of the evidence on the factual issue of patent infringement,[2a] in direct contravention of this Court's oft repeated rule that "concurrent findings of the two lower courts will be accepted without re-examination of the evidence."[3]

In short, this petition presents no "special and important reasons"[4] for this Court to intervene by granting a writ of certiorari.

Opinions Below and Jurisdiction

The opinions below and jurisdictional requisites are adequately set forth in the petition.

Question Presented

The petition asserts a fanciful question.[5] It is premised on four assumptions, which as will be shown below have

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[2a] That patent infringement is a question of fact has been established since at least 1925. *Stils* v. *United States*, 269 U. S. 144, 147 (1925).

[3] *Allen* v. *Trust Company of Georgia*, 326 U. S. 630, 636 (1945); *General Talk. Pictures Corp.* v. *Western Elec. Co.*, 304 U. S. 175, 178-9 (1937); *Comstock* v. *Institutional Investors*, 335 U. S. 211, 214 (1947); *Just* v. *Chambers*, 312 U. S. 383, 385 (1940); *Graver Tank & Mfg. Co.* v. *Linde Products Co.*, 336 U. S. 271, 275 (1948).

[4] Rule 19 of this Court.

[5] The Question as presented in the Petition reads: "Can infringement of a valid patent on a process which constitutes a substantial advance in the art be avoided by varying the details of the apparatus employed in performing the process if there is no departure from the mode of operation or the result achieved and the patent claims do not preclude such variation in the apparatus?"

no basis in the record here. These invalid assumptions are:

1. That the patented process represents a "substantial advance in the art."

2. That the lower courts held that patent infringement was avoided merely by "varying the details of the apparatus employed in performing the process."

3. That the accused processes involved "no departure from the mode of operation or the result" of the patented process.

4. That the "patent claims do not preclude" the variations employed in the accused processes.

In addition, the Question is premised on the patent's being valid. This premise is challenged by the companion petition for writ of certiorari in *United States Plywood Corporation* v. *General Plywood Corporation*, No. 1367.

The only possible question here is one of fact, i.e., whether the patent in suit has been infringed.[6] Thus, the real issue is whether petitioner, who lost on the factual issue of infringement in both courts below, should be given still another hearing to reargue this issue before this Court. This Court has already answered this question in the negative in the same situation.[7]

Summary of Argument

The petition should be denied because

1. Certiorari is not to be granted merely to review the weight of evidence.

2. The concurrent findings of non-infringement below are correct.

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[6] *Stilz* v. *United States*, *supra*, footnote 2a.

[7] *Magnum Import Co.* v. *De Sportiurno Coty*, 262 U. S. 159, 163 (1922).

3. Petitioner's "question presented" is fanciful and not supported by the record.
4. There are no conflicts between circuits or public questions or other reasons which warrant review here.

Each of these reasons is demonstrated in the Argument below.

Statement

Respondent[a] must restate the case to inform this Court adequately of the facts relevant to whether a writ of certiorari should be granted here.

1. The Essence of the Patent Is Nonabrasiveness and Densification

The patent in suit (3056a)[b] concerns a method for densifying a wood surface by nonabrasively buffing it under heat and pressure with a machine-driven nonabrasive buffing belt. The patent contrasts this with the prior art practice of sanding wood surfaces "as smooth as possible" (3057a, col. 1, line 23) by stating that the patented process densifies the wood surface by "frictionally heating the surface of the wood sufficiently to soften" it and simultaneously "compressing the wood while the surface wood is softened so as to densify" it (3057a, col. 1, lines 64-69).

The rubbing surface of the buffing belt of the patent is "preferably composed of cork" (3057a, col. 2, line 71); however, it may be made of "any other flexible, yielding relatively nonabrasive frictional rubbing medium or frictional belt material, such as canvas, or other cloth" (3058a, col. 3, lines 14-18). The patent further specifies that the

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[a] Sometimes hereinbelow called United States Plywood Corporation or "USP".

[b] "(....a)" represents the indicated page of the record printed for the Court of Appeals.

surface of the buffing belt must be "non-metallic" and "heat-insulating" (3058a, col. 3, lines 24-26).

Densification of the wood surface is essential to the patent process. As petitioner stated in its brief to the Court of Appeals:

> "*(I)f there is no densification* the patent is flatly invalid on that fact alone, for the patent *requires it.*" (Petitioner's emphasis)[10]

Nonabrasiveness of the rubbing belt is also essential, because abrasion of the wood surface would remove rather than densify the surface. The patent emphasizes this contrast between the patented nonabrasive process and the prior art abrasive sanding process stating:

> "It should be noted also that my process does not make a rough surface smooth, *nor does it involve the abrasive cutting or removal of any material.*" (3058a, col. 3, lines 28-30).

This basic distinction between prior art abrasive sanding and the nonabrasive densifying of the patent is reflected in every claim of the patent. Claim 11 was treated as typical by both of the lower courts. It is reprinted here with emphasis added to the limitations on nonabrasiveness and densification:

> "11. The method of providing a substantially flat wood surface with a glossy and relatively non-porous finish comprising: *non-abrasively buffing the surface with a buffing medium having a flexible yielding relatively nonabrasive frictional heat insulating rubbing surface* moving at a predetermined buffing speed, compressing the buffing medium between a backing member and said wood surface to press the buffing medium

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[10] GPC Reply Brief in Appeal No. 16,195, page 29, set forth at page 32 hereof. All emphasis and bracketed matter are added throughout this brief unless otherwise noted.

into firm and intimate contact with said surface; and correlatively controlling the buffing speed, pressure and time to *compress, pressure smooth and densify* the surface wood without scorching." (3062a)

All of the other claims of the patent are likewise limited to a nonabrasive wood densifying[10a] process.

The history of the proceedings before the Patent Office which culminated in grant of the patent also establishes that nonabrasive densification is a critical and essential feature of the patented process. Originally the patent application simply claimed heating and compressing the wood surface so as to densify it, without regard to how the heat and pressure were generated and applied (2941a). These claims were rejected on prior art cited by the Examiner and were then abandoned by petitioner. GPC then narrowed its claims to heating and compressing the wood by means of a "flexible relatively non-abrasive frictional rubbing surface" (2946-7a). Following this, the Examiner rejected (2963a) the application on the prior art MacDonald patent (3070a) which showed wood polishing by sandpaper which was "worn down substantially" (3072a, col. 3, lines 28-29). GPC responded by arguing that the MacDonald process would not work because "the sanding art cannot be used for non-abrasive polishing", whereas the applicant Alexander's wood densification stemmed "from his use of a relatively non-abrasive medium" (2972-3a).

GPC distinguished MacDonald from Alexander by representing to the Patent Office that MacDonald "*produces 'sander dust' in noticeable quantities*"[11] whereas Alexander's patented process operates "*without any noticeable production of 'sander dust'*" (2979-80a). In so doing, GPC defined the criterion for determining whether a

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[10a] Claim 12 of the patent (3062a) uses the word "glossify" instead of "densify", but these words mean the same here. See petitioner's admission quoted on page 5 above that the patent "requires" densification.

[11] Petitioner's emphasis.

process lies within the prior art abrasive-process category, or whether it is in the class of the patented nonabrasive process: that criterion is whether or not the process produces noticeable sander dust.

With further regard to the meaning of "nonabrasive" and "relatively nonabrasive" as used in the patent, GPC told the Patent Office, "Anyone reading this application will readily understand that 'relatively nonabrasive' means something that does not noticeably cut away the wood," and further that a nonabrasive medium "wears the wood away at a relatively insignificant or slow rate approaching zero" (2978a).

The Examiner was still not convinced, and again rejected the application (2999a). Alexander then successfully appealed to the Patent Office Board of Appeals, repeating the same arguments summarized above, emphasizing the nonabrasive buffing (3003a, 3004a, 3005a, 3007a) and stating "a relatively nonabrasive medium *is essential*" (3008a). The Board was persuaded by these arguments. The Board stated that the patent process proposed "to present the surface of the wood, *after* the final *sanding* operation, to the *buffing* action of a flexible belt such as *canvas* or *cork*" (3017a). It found that even worn sandpaper will be abrasive (3019a) and that Alexander distinguished from the prior art, which "*would necessarily result in removal of wood* rather than a *buffing* action" (3019a). On this basis, claims were allowed.

Thus, in order to avoid the prior art GPC represented to the Patent Office, and indeed emphasized, that the patented process uses a nonabrasive buffing medium. GPC urged that this buffing medium produces no noticeable wood removal or sander dust, as contrasted with abrasive processes which do produce wood removal and sander dust. The nonabrasiveness of the buffing or polishing medium and the

consequent absence of wood removal and sander dust in the process are therefore critical and essential features of the patented process.

2. The Accused Processes Are Abrasive; They Remove Rather Than Densify the Wood

Respondent USP uses 8/0, 9/0 and 10/0 sanding belts in the fourteen different accused processes (DX 2083, 3559a).[12] These sanding belts are surfaced with rigid, sharp-edged, upright particles (called "grits") of aluminum oxide which are uniformly spaced on a belt backing of cloth or paper (DX 2056, 3533a). Aluminum oxide has a hardness of 9.8 on the Moh scale, hardnesses on this scale ranging up to a maximum value of 10 for the hardness of diamond (187a). Each extremely hard sharp grit of aluminum oxide acts like a small cutting knife, and sanding is effected by the cumulative cutting action of the multiplicity of these small knives which remove wood to a depth dependent on the size of the grit. The removed wood is the well known sander dust.

In smoothing wood, successive sandings are performed with successively finer grits, e.g., from a coarse grit, through medium, fine and very fine grits, dependent on the economics of the operation, i.e., the cost of processing versus selling price of the article (820a-822a). Each sanding operation removes enough wood to substantially eliminate the scratch pattern of the previous coarser sanding operation, leaving its own characteristic new finer scratch pattern. Sanding in this manner smooths the wood and thereby produces two significant results. First it glossifies the wood; that is, the surface reflects more light. Second,

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[12] These sanding belts are identical in structure to 7/0, 6/0 and coarser sanding belts, differing only in grit size. Grits from 6/0 to 10/0 are all designated "very fine". 6/0 and 7/0 belts are conceded not to infringe (Petition, p. 11, footnote 5).

it reduces absorbency for liquids used in finishing operations; absorbency is reduced as the surface becomes smoother, because the shallower remaining grooves of the finer scratch pattern can trap less liquid and because the smoother surface presents less area for absorption than the more deeply grooved surface produced by coarser sanding (570a-71a; PX 1027, 2914a).

As would be expected, the properties of the wood surface change gradually as the grit size used for sanding is progressively reduced; there is no abrupt transition. The progressive sanding by finer and finer grits leads to greater smoothness, evidenced by more shininess and glossiness (2163a, 2259a-61a, 2271a, 1978a, 344a-45a, 1714a-15a, 305a-06a). The major result desired is greater smoothness; the glossiness is the evidence of smoothness, and decreased porosity and absorbency are a consequence of greater smoothness.[13]

The evidence offered at the trial overwhelmingly established that USP's sanding belts used in the accused processes are abrasive.

USP's expert[14] made enlarged photos of surfaces sanded with different grits, such as 3/0, 6/0 and 10/0 (524a-26a; PX 1024). These photos showed clearly that wood was cut away in all cases, leaving a grooved scratch pattern, which was merely finer for the finer grits. No significant

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[13] Buffing is to be distinguished from sanding; it involves rubbing or polishing with a cloth or the like, which does not remove wood or cut the surface, but pushes down any fine projecting fibers or ridges. "Burnishing" signifies only that shininess or polish is imparted, regardless of how that result is attained (448a, 456a).

[14] Prof. A. G. H. Dietz of the Massachusetts Institute of Technology, active in the field of wood technology for over 30 years, and a consultant to the U. S. Forest Products Laboratory and the National Lumber Manufacturers Association. He has also lectured extensively both in the United States and abroad (517a-19a).

difference existed as between new and worn sanding belts; both were abrasive (632a-39a, PX 1039-1051).

Abrasiveness was also shown by using 10/0 belts for sanding panels held stationary for differing periods of time. In each case the belt gouged the panel (even to the extent of sanding through the entire face panel), showing abrasiveness (199a-207a; DX Gen. 348, 2511a; PX(USP) 138-142; PX 1004, 2891a; 232a-43a). This was the same test by which GPC persuaded the Patent Office that the worn sandpaper of the prior art MacDonald patent was abrasive (2985a) in contrast with what happened when GPC's cork belt was substituted (2989a).

The very standard for non-abrasiveness proposed by GPC to the Patent Office established abrasiveness here. That standard required absence of sanding dust and absence of wood removal, for non-abrasiveness to exist. Operations observed by the District Court himself and observed by and testified to by nearly a dozen witnesses (including GPC witnesses) showed that clouds of sander dust were produced by the accused processes, so that special dust removal equipment had to be used with each accused operation, while users of the patented process needed no such equipment.[15]

Testimony was given of actual measurements of the amount of sander dust produced, and 3½ pounds of collected dust were offered in evidence (250a-55a, 577a-80a; PX 1006, 2908a-09a; PX 1028).

Abrasiveness was also shown by the removal of wood. The same panels were successively sanded with a 10/0 belt (the finest grit belt accused) until the entire face ply was removed. This required 19 passes with a new belt and 28 passes with a used belt (245a-50a). The testimony

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[15] 67a-68a, 218a, 255a-56a, 266a-67a, 339a, 405a-06a, 443a, 472a, 581a-82a, 640a, 968a, 975a-78a, 990a-93a, 1125a-26a, 2079a-82a, 3827a-28a, 3832a, 3833a.

was unequivocal that in USP's production wood is cut away from the face of every panel (218a).

It was on such a record that the Court of Appeals held that there was "substantial evidence" that USP did remove "significant amounts of stock" in the accused processes, and that the trial court's view of the evidence was "at least a 'permissible'[16] one" (Petition, p. 58).

A. *The Accused Processes Do Not Densify the Wood*

Since the accused operations are abrasive, they cannot densify wood in the manner described and claimed in the patent, because they remove rather than densify the top surface of the wood. As GPC emphasized to the Patent Office (see pages 4-7 above), an abrasive sanding operation cannot densify wood.

But more direct evidence of absence of densification in the accused processes was presented to the courts below. Specimens of wood finished by the accused operations were microscopically examined and photographed. Analysis of these photographs showed that there was no densification present (536a, 537a, 543a, PX 1024). Also the density of a thin top slice of these specimens was actually measured, and the density compared with that of normal-density wood. This comparison definitely proved that no densification occurred in the accused processes (611a-632a, PX 1037, PX 1038, 2920a-33a).

As further proof of the absence of densification in the accused processes, the patent specifies a minimum of 400° F as the temperature required for densification (3059a, col. 6, line 23), while temperature measurements on the accused operations showed that the requisite 400-degree minimum temperature for the wood to soften was not reached (675a-79a, PX 1029, 2915a-20a). This was also

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[16] Quoting this Court's decision in *United States* v. *Yellow Cab Co.*, 338 U. S. 338, 342 (1939).

confirmed by the fact that the accused processes operate at far below the temperature set by GPC, which is just below the scorch point (2109a); no significant scorching is experienced in the accused operations (2509a-11a), only 2 or 3 isolated instances having occurred in 7 years of operations (584a).

Thus, the direct evidence of microscopic examination, density measurements, and temperature measurements, all demonstrate absence of densification in the accused processes.

3. The Accused Processes Do Not Use "Yielding" or "Heat Insulating" Belts

In addition to requiring the use of a buffing means which is nonabrasive, the patent also requires that the buffing means must have a surface which is "yielding" and "heat insulating."[17] The purpose of the "yielding" requirement is best explained by a related patent of GPC:[18]

> "The good performance of the cork belt has been attributed to the resiliency of the cork particles, which, when they are subjected to rubbing pressure, causes them to yield and thus promote uniform frictional rubbing contact and demote rapid wear."

The purpose of the "heat insulating" requirement is to insure that the operating temperature of the buffing medium exceeds the 400°F which the patent specifies as the minimum required for densification (3059a, col. 6, line 23). As Van Ormer, the Carborundum Company abrasives man who collaborated with GPC in the development and promotion of the patented process explained, the belt must be heat-insulating in order to "minimize the transfer of

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[17] See claim 11 reprinted above at page 5.

[18] Dimond (GPC) patent No. 2,949,623, 2588a, col. 1, lines 36-40.

the heat from the wood into the belt and to maximize the heat effect on the wood" (1901a). Both of these yielding and heat insulating characteristics are provided in Alexander's process by the cork surface, cork being both yielding and an outstanding heat insulator.

The surface of the belts used by USP in the accused processes are neither yielding nor heat insulating. USP's aluminum oxide grits are extremely hard and rigid in comparison with the resilient cork particles of GPC's cork belts. Aluminum oxide grains have a hardness of 9.8 on the Moh hardness scale (where diamond has a hardness of 10). In contrast, cork has a hardness of less than 1 on this same scale (187a). The aluminum oxide grits must be hard and rigid in order to efficiently cut away the wood; they cannot be accurately characterized as yielding. Thus, USP'S aluminum oxide belts are at the opposite end of the "yielding" range from GPC's cork belts, because they are designed to cut away rather than pressure smooth (densify) the wood.

Additionally, USP's aluminum oxide belts are not "heat insulating" as that term is used in the patent. The aluminum oxide of the cutting surface of USP's belts is 60 times poorer as a heat insulator than cork (3711a). The cork belt is also 2½ times thicker than the grits (3709a-10a), so that the grits are effectively 150 times poorer as a heat insulator. Indeed, USP's aluminum oxide grit belts should remain cool rather than hot, just the opposite of GPC's cork belt. As abrasives expert Baker from Minnesota Mining & Mfg. Company (3M) testified,

> "Heat is one of the most detrimental factors in coated abrasive performance." (352a)

In short, in the words of another 3M abrasives man Judd, the cork belt "is a different animal" from the aluminum oxide belt (184a).

4. The Accused Processes Use Only the Prior Art

There is no dispute that the USP's accused processes used a prior art Timesaver machine and prior art sanding belts. The Timesaver machine had become available in mid-1954 (359a-360a, 862a), and the 8/0, 9/0 and 10/0 belts had been available since the 1930's (1829a).[19]

Timesavers Inc. issued operating instructions with each of its machines. These instructions as early as September 1954, told the operator exactly how to adjust the machine in order to perform the accused processes, stating:

> "If too much stock is being removed or if the pulp between grain is being removed, causing an uneven surface, move the feed rolls away from the machine to set up a counter weight for the feed roll. This will reduce the pressure on the feed roll. . . . It will be necessary to run a few pieces to ascertain the best position of the counter weights for your particular job. In running wide stock it is sometimes advisable to remove the counter weights as all the pressure available is needed. . . . This gives three adjustments to getting just the finish you want and also for cleaning up stock even though rough. First is the adjustment of the feed roll, next the grit of the abrasive and finally the adjustment of the counter weights.
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> At the right side of machine is your infinitely variable speed selector. . . . A little experimenting will provide the best speed for your set up. Ordinarily we suggest slower feed for rough work where considerable stock has to be removed and faster speed for polishing.
>
> The wonderful variety of abrasives offered by most manufacturers affords you the opportunity to get just the right type for your work. . . . To arrive at the best

[19] Petitioner concedes that the machine described in the patent is a prior art machine (Petition, p. 7).

abrasive, make some runs with different types to find the kind which suits you best and saves you money." (2684a-2685a)

This totally adequate prior art teaching was made even more explicit by Timesaver's advertisements of January and February, 1955[20] in the nationally distributed trade journals "Industrial Woodworking" (PX TS 3, 2851a) and "Veneers & Plywood" (PX TS 5, 2852a). These advertisements stated the Timesaver machine was "ideal for sanding and polishing" of plywoods, and that for this purpose, "Grits as fine as 9/0 can be used successfully."

These Timesaver prior art publications are an apt description of the accused processes, which utilize the Timesavers machine with the belts suggested by Timesavers to be used with its machines, and adjusted as Timesavers suggested, to obtain the desired smoothness.

ARGUMENT

1. *Certiorari Is Not to Be Granted Merely to Review the Weight of the Evidence*

The petition misconceives the purpose of the writ of certiorari. Among the "reasons" asserted by the petition is GPC's claim that the decision below is "clearly erroneous" (Petition, p. 22). GPC's extended discussion of evidence which was rejected by both lower courts strongly suggests that GPC's "clearly erroneous" claim is the only true reason for GPC's petition.[21] But it is not the purpose

[20] Both advertisements were published more than one year before petitioner's patent application was filed and therefore are statutory bars to the issuance of any valid patent on this subject matter (35 U.S.C. 102b).

[21] This was also the basis asserted for GPC's appeal to the Court of Appeals. That Court expressly held that the District Court's view of the conflicting evidence was "at least a 'permissible' one and hence not clearly erroneous", in accord with *United States* v. *Yellow Cab Co.*, 338 U. S. 338, 342 (1949), where this Court said "such a choice between two permissible views of the weight of evidence is not 'clearly erroneous'." Not only was this view "permissible", but the Court of Appeals found it supported by "substantial evidence" (Pet'n, p. 58).

of certiorari "merely to give the defeated party in the circuit court of appeals another hearing".[22] Certiorari is to be granted only where the situation involves "principles the settlement of which is of importance to the public *as distinguished from that of the parties,* and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal".[23]

If there is anything unusual about this case insofar as this petition is concerned, it is the unusual thoroughness with which it was tried below. The District Court heard twenty witnesses and received over 900 exhibits in evidence. The case required forty trial days, and the length of the transcript exceeded 9,000 pages. The trial court witnessed numerous demonstrations on the issue of infringement, which were conducted by both parties, both in open court and in the plant facilities of the respective parties.[24] The issues were fully briefed, and oral argument extended over a period of five days.[25] Losing on the infringement issue, GPC appealed to the Sixth Circuit Court of Appeals. The record on appeal comprised nine printed volumes of 3,915 pages. The issues were fully briefed and argued, with the briefs on all the issues aggregating 385 printed, extra-large pages, and the Court of Appeals affirmed the District Court's finding of non-infringement. Upon losing before the Court of Appeals, petitioner moved for a rehearing *inter alia* on the very point urged here, that "The Court erred in concluding

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[22] *Magnum Import Co.* v. *De Sporturno Coty,* 262 U. S. 159, 163 (1922).

[23] *Layne & Bowler Corp.* v. *Western Well Works,* 261 U. S. 387, 393 (1922).

[24] Note *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.,* 336 U. S. 271, 275 (1948), where this Court held that such thorough trial proceedings make the "clearly erroneous" rule all the more controlling.

[25] Petition, page 34.

that there was no infringement.'"[36] The Court of Appeals again rejected GPC's argument and denied rehearing.

Thus this case has been fully tried, briefed and argued below on the same points and evidence urged here. Both lower courts adjudged noninfringement on conflicting evidence. There is no public need for this Court to re-weigh the evidence. For this reason, and the reasons discussed below, this Court should deny certiorari.

2. *The Concurrent Findings of Noninfringement Below Are Correct*

GPC has the burden of proving infringement. It failed to sustain that burden below. GPC's "question" (petition, p. 2) purports to shift this burden onto USP by suggesting that infringement exists because the "patent claims do not preclude" the variations from the patented process which are embodied in the accused processes. Under GPC's rule, USP is an infringer unless the claims of the patent demonstrate that USP's variations do not infringe. This is not the rule. GPC has the burden; USP need not prove that it did not infringe (although USP has more than adequately proved this here). The real issue is whether GPC satisfied its burden of producing sufficient persuasive evidence below to prove infringement. Both lower courts said "no." Both were correct in doing so, for the reasons now stated.

A. The Accused Processes Are Not Abrasive

As already shown, the non-abrasive nature of the buffing in the patented process is a critical and essential feature of the process. It is a principal distinction over the prior art. It was so described in the patent disclosure, so argued in the Patent Office, and so claimed in the patent.[37] It is

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[36] Petition, page 67.

[37] Pages 4-7 above.

also clear from the patent itself and from GPC's arguments in the Patent Office that the expression "non-abrasive" as applied to the buffing medium means just what one would think it means, i.e., a buffing surface which does *not* "remove a noticeable amount of wood" or "produce a noticeable amount of sander dust" when it is rubbed against the wood. (Pages 6-7 above.)

The District Court recognized the non-abrasive character of the patented process, and held that the accused processes were abrasive and thus did not infringe. The District Court held that the patent "clearly contemplates the use of buffing belts that are non-abrasive", as opposed to the accused processes which the Court held involved the use of "abrasives". The District Court concluded that there was "no foundation upon which an infringement could be based."[28]

The Court of Appeals explicitly affirmed this finding and supplemented it by holding:

> "'General Plywood described its treating belt as 'non-abrasive' or 'relatively non-abrasive,' 'non-metallic,' 'flexible' and 'yielding.' None of these descriptive terms are appropriate to describe the 10/0 aluminum oxide grit sandpapers which United States Plywood employed."[29]

The Court of Appeals also discussed GPC's argument that the abrasive belts used in the accused processes became non-abrasive with use and thus began to infringe after some indeterminate period of use, and held:

> "We do not ignore General Plywood's argument that U. S. Plywood's results were really achieved by either the crushing of the grit on the 'modified' belts, or the use of worn belts, or by the rapid filling of the belts

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[28] Petition, page 41.

[29] Petition, page 57.

with wood particles so as to terminate any substantial abrasive action. We have, however, noted in the record testimony which certainly constituted substantial evidence that the 10/0 sanding employed by U. S. Plywood did remove significant amounts of stock. Observers testified to visible dust and the necessity of dust collectors on the 'Micro-Fine' process where General Plywood contends such were not necessary in microsealing.'"[30]

The District Court had implicitly rejected this same argument by GPC by holding that no GPC witnesses "were ever able to give the Court a satisfactory formula by which it could be told" when these belts "ceased to be abrasive and became an infringer of the process in the Alexander patent."[31]

Despite these rebuffs by both lower courts on this contention as to assertedly specially "modified" belts which supposedly fill with sander dust in use, GPC submits the same argument to this Court on this petition (pp. 10-14).[32]

These findings by the lower courts are fully supported by the record. As shown above, abrasivity of the accused processes was proved by photographs,[33] by measurements of wood removal,[34] by plant demonstrations for the Court

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[30] Petition, page 58.

[31] Petition, page 42.

[32] Petitioner propagandizes by calling USP's belts "specially dulled" (Petition, p. 11). In this art "dulling" does *not* mean diminishing the abrasiveness or sanding ability of the individual grits in any way, but refers only to crushing of those few grits which may temporarily project above the others so as to score too deeply the first few panels being sanded (1821a-1827a).

[33] PX 1024, explained at 519a-543a.

[34] PX D Gen'l 348 (2509a) explained at 196a-230a
PX 1004 (2887a) " " 232a-243a
PX 1005 (2893a) " " 245a-249a
PX 1006 (2900a) " " 250a-255a
PX 1039-51 (Physicals) " " 623a-640a

during the trial,[35] by courtroom demonstrations including microscopic inspection[36] and by the testimony of numerous witnesses about the clouds of dust produced by the accused processes.[37]

The Court of Appeals concluded its discussion on non-infringement by pointing out that:

> "(W)hat U. S. Plywood did was essentially to move a fine sanding operation which was already being used in the industry for finish polishing to an earlier point in the production process and apply it to wood in the white panels.[38] If Alexander's patent should be broadly enough construed so as to apply to this operation, then it would be hard to ascribe to it the novelty, as opposed to the prior art, which is required for invention."[39]

This also is supported by the record.[40]

GPC affixed to the inside back cover of its petition a small piece of the finest sandpaper (10/0 grit) used in some of the accused processes.[41] This was apparently done as an invitation to this Court to touch the sandpaper to determine its abrasiveness. GPC would apparently substi-

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[35] USP plant demonstration at 975a-978a; GPC plant demonstration at 1465a-1490a.

[36] PX 1019-1020 (Physicals), 406a-419a; 258a-273a.

[37] Footnote 15, *supra*.

[38] GPC's contention that pressures and speeds are different from the prior art is irrelevant. Merely changing the adjustments built into the prior art Timesavers machine to obtain desired results is obviously within the skill of the calling and not Alexander's invention. See *Kwik-Set Inc.* v. *Welch Grape Juice Co.*, 86 F. 2d 945, 947 (2d Cir. 1936).

[39] Petition, page 58.

[40] See pages 14-15 above.

[41] The accused processes also use 8/0 and 9/0 sanding belts which are significantly coarser than the 10/0 belts affixed to GPC's petition.

tute a touch test for the evidence in this case despite GPC's own caveat to the Patent Office that,

> "Sandpaper may feel smooth and still be abrasive." (2980a)

Samples of these belts were closely inspected by both lower courts. The District Court became intimately familiar with them during the extended forty-day trial. Both lower courts were convinced by the overwhelming evidence of abrasiveness that these fine grit sandpapers are abrasive. This conclusion can be confirmed by simply running one's fingernails across the surface of these belts.[42] This finding of abrasiveness was one of fact.[43] It was not only *not* clearly erroneous—it was the only reasonable conclusion to be drawn from the evidence.

B. The Accused Processes Do Not Densify the Wood

The patent states unequivocally that operating conditions "must be sufficient to produce" densification (3059a, col. 6, line 69). GPC admitted in its brief to the Court of Appeals quoted above at page 5, that the patent "*requires*" densification.

USP's tests described above at pages 12-13 proved that no densification occurs in the accused processes.

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[42] If the courts below had concluded otherwise, there would have been a conflict with the Eighth Circuit Court of Appeals decision that 10/0 sandpaper is abrasive in *S. S. Kresge Co.* v. *Davies,* 112 F. 2d 708 (8th Cir. 1940).

[43] As this Court held in *Stilz* v. *United States,* 269 U. S. 144, 147-8 (1925), "Infringement is a question of fact . . . This Court accepts the finding of fact made by the Court of Claims and cannot review them (Citing precedents), and even where a finding determines a mixed question of law and fact, it is conclusive unless the Court is able to separate the question to see whether there is a mistake of law. (Citing precedents.) Our consideration of the case is confined to questions of law."

The Court of Appeals explicitly agreed by holding that all USP did was "essentially" to adapt a "fine *sanding* operation which was already being used in the industry for finish polishing" to use in its accused operations (Petition, p. 58).

The accused processes therefore do not infringe because they do not densify.

C. The Accused Processes Do Not Use "Heat Insulating" or "Yielding" Belts

The patent claims specify that the buffing surface of the belt used in the patented process must be "heat insulating" and "yielding". The reasons for this are discussed above at page 12.

The Court of Appeals held that these terms were not "appropriate to describe the 10/0 aluminum oxide grit sandpapers" which USP used in the accused operation (Petition, p. 57). This holding is fully supported by the record as shown above at pages 12-13.

This is a further respect in which the accused processes are non-infringing, and in which the concurring decisions below are correct.

D. There Is No Infringement Because the Accused Process Uses Only Prior Art Teachings

As this Court held in the *A&P* case,[44]

> "The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained, when on the contrary, their effect is to subtract from former resources freely available to skilled artisans."

It therefore follows that, just as the prior art cannot be patented, so also the prior art cannot infringe. If it were

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[44] *Great A. & P. Tea Co.* v. *Supermarket Equip. Corp.*, 340 U. S. 147, 152 (1950).

otherwise, patents might "subtract from former resources freely available" to all.[45] Everyone is free to use the prior art regardless of the asserted scope of the patent claims.

Moreover it is not necessary that the prior art be used exactly or identically; a patent cannot monopolize the application of ordinary skill to the prior art, and modification of the prior art within the skill of the ordinary person in the art is similarly immune from a charge of infringement, even where estopped to contest validity:

> "In other words if everything in defendant's construction was taught by the prior art and nothing included therein other than the application of such art, plus ordinary mechanical skill, then the mere fact that the device constructed reads upon the claims of patents the validity of which it is estopped to deny, does not spell infringement." *Casco Products Corp.* v. *Sinko Tool and Mfg. Co.*, 116 F. 2d 119, 121 (7 Cir. 1940).

Thus, when the accused operations are simply "the application of [the prior] art . . . plus ordinary mechanical skill," as they are here, the patentee is placed in a dilemma: If the patent is broad enough to cover (or differs insignificantly from) the accused process, it is necessarily invalid because it also covers anticipating or invalidating prior art.[46] On the other hand, if the patent is not that broad, there is no infringement. In either case, there can be no liability by the defendant.

It is shown above at page 14 that the accused operations are nothing more than that which is set forth in the instructions of the prior art Timesavers publications. The Court of Appeals held that they are "essentially" an adaptation of a prior art fine sanding operation (Petition, p. 58). These accused operations therefore cannot in-

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[45] *Ibid.*

[46] "That which infringes, if later, would anticipate if earlier." *Knapp* v. *Morss*, 150 U. S. 221, 228 (1893).

fringe the patent. If they are described by the language of the patent claims, this simply means those claims are invalid,[47] and not infringed for this reason.

Therefore, the petition should be denied because there is no merit in petitioner's contentions.

3. *Petitioner's Question Is Fanciful and Not Supported by the Record*

The petition should also be denied since the sole question presented is entirely fanciful and does not exist in this case.

Petitioner's "Question" (reproduced above in footnote 5) has no basis in fact or in this record. It is purely fanciful, being premised on four assumptions, none of which is supported by the record. These are:

1. That the patented process represents a "substantial advance in the art."
2. That the lower courts held that patent infringement was avoided merely by "varying the details of the apparatus employed in performing the process."
3. That the accused processes involved "no departure from the mode of operation or the result" of the patented process.
4. That the "patent claims do not preclude" the variations employed in the accused processes.

Treating these unfounded assumptions *seriatim*, the patented process is *not* a "substantial advance in the art." The machine and belt used in the patented process are both old, and the speed and pressure with which the belt rubs against the wood is also old. The patentee himself

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[47] *Ibid.*

has admitted this.[48] Nor was the idea of polishing wood by nonabrasively burnishing it new, the patent admitting that "wood burnishing operations which involve frictionally heating wood with cloth" were old (3060a, col. 8, lines 14-16).

Simply stated, the patented process merely adapted a known metal polishing process to wood polishing in a manner clearly suggested by the art. This is how GPC admits the patented process was first performed.[49]

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[48] The patentee Alexander testified as follows (3696a):

"Q. Now, I just want to make sure that the record speaks clearly on a number of points that have been labored before. You didn't invent the Timesaver Machine, did you, Mr. Alexander?

A. No, sir, I did not.

Q. Nor its range of feed speeds?

A. No, sir, I did not.

Q. Or its range of pressures?

A. No, sir, I did not.

Q. Or its belt speed?

A. No, sir, I did not.

Q. The ranges of feed speeds and pressures and the belt speed are all within the range of Microsealing, are they not?

* * * * * *

Q. I mean to Microseal, you will operate within the range of feed speeds of the Timesaver Machine, within the range of pressures of the Timesaver Machine and you can operate at the belt speed of the Timesaver Machine, isn't that correct?

A. If I understand you correctly, it is, sir.

Q. You didn't invent the cork belt, did you?

A. No, sir.

Q. Or any of the other belts with which we have been concerned from 1/0 through 10/0?

A. I had no part in inventing any of those belts, sir."

[49] The patentee Alexander in an affidavit in his corresponding Canadian patent application attested that the first time his patented process was performed was when he "caused a . . . door skin panel to be glossified by . . . Judd [3M salesman] on a 24 inch Timesaver machine located in Louisville plant 12 of the Reynolds Metals Company" (3757a). Reynolds had a Timesaver machine and had been using it with a cork belt for polishing aluminum panels (83a). Judd testified that he merely adjusted the machine for the width of the wood panel, and that it was then, "just a matter of feeding the panels into the machine . . ." (84a). Thus, the identical machine, with an identical cork belt, was merely changed by minor obvious adjustments from polishing aluminum to polishing wood.

GPC confuses commercial value with patentable progress over the prior art. A change in a process may be an insignificant, or even a step backward, over the prior art and still have commercial value. A myriad of factors having nothing to do with patentability combine to affect the commercial value of a particular process. As this Court recently held, commercial value is but one of the "secondary considerations."[50] It certainly cannot be equated with a showing of a "substantial" patentable advance as urged by GPC, where as here the more direct evidence shows that the advance was quite minor if indeed any advance at all.

As to the second invalid premise of petitioner's question, the lower courts did *not* base their conclusions of noninfringement on the mere "varying the details of the apparatus" used in the accused and the patented processes. An essential requisite of the patented process is a rubbing medium of specific and special characteristics, i.e., the cork (or other nonabrasive) belt, identified by the Court of Appeals as a novel feature which when combined with others distinguished the patent from the prior art (Petition, p. 54). The use of this cork belt is no mere "detail" but the heart of the process, and the nonabrasive characteristics of this belt constituted the factor argued by GPC most strenuously before the Patent Office as justifying allowance of the patent. These same characteristics were relied on by the Patent Office Board of Appeals in granting the patent. The particular belt is therefore a *sine qua non* of the patented process, not a "detail".

USP's use of a distinctively different belt (the 8/0, 9/0 and 10/0 abrasive sanding belts) was no minor; trival variation, but rather an omission of an essential feature and a difference creating an independent and distinctive result, as shown above.[51]

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[50] *Graham* v. *John Deere Co.*, 383 U. S. 1, 17 (1966).

[51] See pages 4-13 and 17-22, *supra*.

Likewise, the third premise of petitioner's question is wrong. The accused processes involve a basic "departure from the mode of operation [and] result" of the patented process. The accused processes are abrasive and the patented process is nonabrasive. The accused process is a sanding process, producing no densification, while the patented process is a buffing process, for whose patentability densification is essential. These differences in mode and result lie at the heart of this lawsuit.[51a]

It is true that both the accused and the patented processes use the same machine, but this machine is admittedly old. It is also true that both the accused and patented processes use prior-art belts, which, though different from each other, were adapted for use on that prior-art machine. As to these features, there is a similarity between the accused and patented processes, but these are prior-art features. The public is therefore free to use them.[52] Any similarity between the processes stops there. The processes differ in that the patented process buffs *nonabrasively* to *densify* wood, whereas the accused processes rub *abrasively* to *sand* the wood.[53]

These differences are controlling here; they constitute a basic "departure from the mode of operation [and] result" of the patented process.

As to the fourth and final false premise of GPC's question, the patent claims *do* both "preclude" and exclude the differences employed in the accused process. GPC itself here violates the rule which it blames the lower courts of violating, namely, that the claims are the "measure of the invention."[54] All of the claims require the use

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[51a] *Ibid.*

[52] See pages 14-15 and 22-24, *supra.*

[53] See pages 4-11, *supra.*

[54] Petition, page 23.

of a *nonabrasive* rubbing medium. All claims require rubbing non-abrasively. All require densifying. Most require a "yielding" and "heat-insulating" rubbing surface. Both lower courts held that the rubbing belts used in the accused process were abrasive, not yielding, and not heat-insulating.[54a] The patent claims therefore do directly preclude any possible infringement by the accused processes. These differences go to the very essence of the patented invention.

Thus, petitioner's question is wholly fanciful. It has no relation to the facts here. No writ should be predicated upon it.

4. *There Are No Conflicts or Public Questions or Other Reasons Warranting Review Here*

GPC states a number of reasons for requesting certiorari (Petition, pp. 22-23), none of which has merit here.

For its first reason, GPC asserts that the decision below is in supposed conflict with the rule that "infringement of a process patent is not avoided by using apparatus other than that disclosed in the patent so long as the nature of the process and its results remain the same." The lower court decisions do not conflict with this rule; the rule is simply not applicable here. It may apply in the case of a process which is independent of apparatus, as in the citations given by petitioner. Here, however, the process is necessarily limited to specific apparatus, namely, the nonabrasive belt, whose characteristics as already shown constitute whatever essential novelty exists in this patent. The rule referred to is therefore not pertinent.

Moreover, as shown above, the lower courts found non-infringement because of the basic difference between the patented *nonabrasive densifying* process and the accused *abrasive sanding* processes. This difference is basic to the patented process. It is far more than a mere difference in the apparatus. This first reason is thus non-existent.

[54a] See pages 4-13 and 17-22, *supra*.

GPC's second reason given for requesting the writ is that the question presented is of "major importance" because it "is very likely to be faced with respect to every valid process patent" particularly insofar as it concerns the problem of determining a patent scope "commensurate" with the "substantial advance" of the patent. As shown above, the question presented by this petition is wholly fanciful.

Moreover, beyond making the bare assertion, GPC fails to show any public importance to this question, or that the courts below failed to follow the principles laid down by this Court, so as to create any "need to affirm" any principle. Neither the lower courts, nor any other courts have failed to follow this Court's rules. There is thus no need for this Court to "reaffirm" any rule, as sought by GPC. Virtually every patent case involves the problem of determining the scope of the patent with regard to the value of the patentable contribution. Such a determination is completely factual in character. This Court cannot review the facts in all of these cases simply because one of the parties is dissatisfied with the determinations below.

GPC's third reason is that the decisions below are clearly erroneous. It is not the function or policy of this Court to review findings of fact which are concurred in by both lower courts. Certiorari is not just another avenue for rearguing the evidence on the multitude of factual issues that are embodied in the concurring judgments below.

No effort is made in this brief to rebut all the argumentative "facts" asserted in the petition; however, it has been shown above that the basic finding of nonabrasiveness of the patented process and abrasiveness of the accused processes is not only *not* clearly erroneous, but is clearly correct. Suffice it to say as to the other "facts" urged by GPC, they have all been urged before in the lower courts, and the lower courts have rejected GPC's contentions.

Petitioner's contentions (Petition, pp. 22-23) that the courts below failed to follow three stated "rules" are

equally without merit. As to the first two "rules", relating to the claims being the measure of the "invention", and construing the claims according to the disclosure, the courts below specifically found that the very language of the patent claims finds no response in the accused processes, in any particular vital to the patent process.

Petitioner's attempts to argue at page 29 that the decisions below are wrong because (petitioner asserts) its rubbing belts supposedly remove as much wood as the accused sanding belts, and because (petitioner asserts) the courts below supposedly fail to consider this point, place petitioner squarely on the horns of a dilemma. If petitioner is wrong on this "fact", there can be no infringement. If petitioner should be assumed right as to the "fact", then petitioner perpetrated a fraud on the Patent Office by falsely representing (and vehemently so) that no wood removal or sander dust is produced,[55] and the patented process then becomes equivalent to and thus invalid over the prior art sanding processes.

The fact is that the accused processes produce substantial sander dust and remove substantial stock, as the Court of Appeals held.[56] Here again GPC seeks to have this Court review merely the weight of evidence, and thus there is no merit to this asserted reason for the writ sought here.

As to the third "rule" of liberal construction for which petitioner pleads, it is sufficient to note that the estoppel created by GPC's amendments and arguments in successfully persuading the Patent Office to grant the patent preclude enlarging the patent scope, even if it were (incorrectly) assumed that there is any equivalency between the accused and patented processes.[57]

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[55] See Statement above pages 6-7.

[56] It said there was "substantial evidence" that USP "did remove significant amounts of stock", with "visible dust", necessitating dust collection not necessary to GPC's process (petition, p. 58).

[57] *Smith* v. *Magic City Kennel Club*, 282 U. S. 784, 789 (1930); *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U. S. 126, 136 (1942).

Conclusion

This petition involves no more than the narrow question of patent infringement, which is of interest only to the parties. The concurrent judgments of noninfringement below were reached by correctly applying rules of claim construction which are in complete accord with principles enunciated by this Court. In sum, there are no conflicts or important questions presented by this petition which warrant review by this Court.

In the words of Mr. Justice Story, in *Ocean Insurance Co.* v. *Fields*, 2 Story 59, 18 Fed. Cas. No. 10,406, quoted in *Toledo Scale Co.* v. *Computer Scale Co.*, 261 U. S. 399, 425 (1923):

> "It is for the public interest and policy to make an end to litigation, or, as was pointedly said by a great jurist, that suits may not be immortal, while men are mortal."

The petition should be denied.

Respectfully submitted,

July 3, 1967.

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SUPPLEMENTAL APPENDIX

Reply Brief for Defendant-Cross-Appellee on Cross-Appeal No. 16,195.

* * *

The Court will recognize that *if there is no densification* the patent is flatly invalid on that fact alone, for the patent *requires it.* If there were no densification in the practice of the microseal process, the patent would be invalid and USP would not have to turn to some distorted argument of fraud on the Patent Office in order to establish that invalidity; and if there were no densification in the practice of USP's accused process, there would be no infringement and USP would not have to turn to the ersatz argument it presents in this section of its brief, for the question of infringement would be resolved. * * *

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

No. 125

GENERAL PLYWOOD CORPORATION,
Petitioner,
v.
UNITED STATES PLYWOOD CORPORATION,
Respondent.

REPLY TO BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Respondent Seeks to Raise Irrelevant Fact Issues

The brief for respondent supports its argument that the Petition of General Plywood asks for a review of adverse findings of fact, by stressing at length what is said to be evidence that the belts used in the accused processes are "abrasive" because they remove wood, create clouds of dust, etc. At the trial, United States Plywood devoted considerable time to demonstrations that wood could be removed by 10/0 belts if used in various ways, usually

quite unlike the accused processes. However, the proper test is not whether the belts are abrasive in an absolute sense, but rather, how does their degree of abrasiveness compare with that of the cork belt which is described in the patent as the preferred rubbing medium and as being "relatively nonabrasive".

The Petition is based on *admissions* of United States Plywood that *the belts as used in the accused process are no more abrasive than the cork belt.*[1] No denial of this basic proposition appears in the United States Plywood "Brief in Opposition". Nor does that brief point out any respect in which the manipulative steps of the accused processes differ from those claimed in the patent in suit.

Much of the remainder of the brief in opposition is directed to alleged differences (other than abrasiveness) between the belts used in the accused process and those described in the patent. To the extent, if any, that these contentions support the erroneous judgment of non-infringement of a process because of differences in the *equipment* used, they concede the basis for the petition: namely, tha. the judgment was based on an error of law. To the extent that they deal with the charactertistics of the rubbing medium defined in the claims of the patent, they fail utterly to cite any evidence that the specified characteristics were lacking in the belts as used in the accused processes.

The assertion that the accused belts are neither yielding nor heat insulating is based solely on reference to the character of the individual pieces of grit, which are almost too small to be seen by the naked eye and are partially imbedded in a glue layer. The belt as a whole (which is

[1] Petition, No. 125 of October Term 1967, pp. 13-16.

normally 50 inches wide and over 8 feet long) is "yielding" because it is flexible and is admittedly pressed against the work by a soft rubber cover on the drum.[2] It is heat insulating "in comparison with metal" as stated in the patent (R3058a, col. 3, lines 24-27), because it is made up of paper or cloth, glue, and packed wood dust, all good heat insulators.[3] There is no requirement in the patent that the belt be non-metallic and no evidence that any portion of the belts used by U.S. Plywood is metallic.

Densification

The patented process densifies the wood surface and that same result is achieved in the accused processes. No holding to the contrary was made by the Courts below, probably because of the overwhelmnig evidence that the results obtained in the accused processes were identical to those obtained by the preferred practice of the process described in the patent. In the Petition, General Plywood merely pointed, because of its conclusiveness, to the admission of United States Plywood that its "Micro-Fine"

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[2] U.S. Plywood uses a soft (30 or 40 durometer) rubber covered roll in every one of its accused operations as contrasted with the much harder (60 durometer) rolls used by U.S. Plywood for *sanding* (See DX2083A and B, R3559a-60a, 1526a; Admissions 133-135 and 141-143 by USP, R3524a-5a and 3528a, 1447a) U.S. Plywood confirmed the purpose of the adoption of the soft roll: "We have a softer durometer roll that is used in conjunction with the machines that has the 10/0 paper so that its function is to *follow any inaccuracy in* the panel and not do any actual cutting" (USP's Back, R310a). This is exactly the type of "yielding" contemplated by the patent.

[3] Van Ormer, R1870a-1a, 1887a-8a; Fishleigh, R1416a, 1568a-9a.

process produced a wood surface of reduced porosity[4] but there is a great mass of unimpeached supporting evidence, including the results of *inter partes* tests.[5]

In an attempt to create an issue of fact as to the existence of a densified surface layer, the brief in opposition to the Petition grossly misrepresents the evidence and cites testimony which was demolished on cross-examination of the very witnesses relied upon and which is overwhelmingly

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[4] Petition, No. 125 of October Term, 1967, pp. 12 and 13.

[5] The reduction in porosity, deriving from the densification of the surface, results in one of the principle advantages of the process which led to its adoption by both parties: finishing materials, including lacquer, are absorbed much more uniformly and to a much lesser degree than where the surface is prepared for finishing solely by sanding the surface. That the accused processes benefit from this advantage is not only admitted but is proclaimed by U.S. Plywood (Adm. 77 by USP, R3493a-4a, 1447a). This unique advantageous characteristic of the process was noted not only when the process was first disclosed by General Plywood to U.S. Plywood (Adm. 41 by USP, R3468a, 1447a) and not only when 3M conducted tests of the process with cork belts and with 10/0 belts (DX 3M162, R2814a, 437a), but also when U.S. Plywood tried out the suggested process in its plant for the very first time (Adm. 64 by USP, R3487a, 1447a). See also, USP's witness Oeffinger, R960a, Baker, R450a-1a, 501a, Day, R670a, and Hemming R736a. The confirmatory *inter partes* tests, illustrating the fundamental difference, in this characteristic, between the accused and patented processes on the one hand and the finest of sanding on the other hand are summarized in DX 2093, R3568a, 1575a, and by Fishleigh, R1575a-82a, 1601a-3a).

shown to be erroneous.[6] The subsidiary assertion that in the accused processes the wood is not heated sufficiently to soften is based on a gross misrepresentation of the evidence. The temperature at which wood softens was established by U.S. Plywood's own witnesses (R546a, 523a-4a, 671a) and the temperature test relied on in U.S. Plywood's brief was wholly discredited by the very witness who performed it (R685a-6a, and see R1635a-44a, 1658a-64a). U.S. Plywood's assertion (p. 12) that "only 2 or 3 isolated instances" of scorching have occurred in the accused operations "in 7 years of operations. (584a)" is flatly false. See USP's McCormick, R582a-3a, 585a; Back R334a; Baldwin, R2185a; Suard, R1150a-1a; and Day, R2312a, and see Admissions 62, 64 and 74, R3483a, 3486a, 3492a, 1447a.

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[6] The other "evidence" relied upon by U.S. Plywood in its effort to lead this court to believe that there is a fact issue on "densification" was equally nonexistent. The alleged photomicrographic evidence was not even deemed worthy of printing by USP in the approximately 4000 page joint appendix, and the witness relied on by USP admitted he had no knowledge of the preparation of the photographed samples (R536a-7a) and even more importantly he admitted that the photographs were inconclusive (R546a, 554a-5a, 558a-67a). The alleged density measurement tests were admittedly based on an assumption which was wholly erroneous (Day, R667a, 670a, 657a-8a, 661a, and 669a). The allegation (p. 9) that fine sanding reduced porosity is not only flatly incorrect but is supported solely by reference to certain oil absorption tests made in behalf of U.S. Plywood which were not even printed and which established, by the admission of the testifying witness, that the porosity of the wood surfaces produced in the accused operation was *essentially the same* as that of an *admittedly densified* wood surface (Dietz, R555a-7a and 564a-5a).

The False Claim That the "Accused Processes Use Only the Prior Art"

The fact that 10/0 sandpaper is old and that wide belt machines are old does not mean that the microseal process of the patent in suit is old, particularly since, in the prior art, sandpaper was used only for sanding, which is admittedly only a cutting action (DX 2055, R3437a-41a, 1447a). Moreover, there is no evidence that 10/0 grit belts were ever used on a wide belt machine for any wood treatting operation prior to Alexander's invention of the microseal process in 1954.

The instructions supplied to purchasers of wide belt machines did not suggest the use of relatively non-abrasive belts at high pressures on wood, and the practice of experts in the woodworking industry was to use the coarsest possible grit for sanding wood[7] and to use lighter pressures for the finer grits.[8] The advertisements of the Timesaver machine, one of which was dated more than a year prior to the filing of the Alexander application, deal with wood sanding only. This is made clear if the sentence partially quoted in respondents brief is quoted in full. The sentence reads:

> "Grits as fine as 9/0 can be used successfully and due to the cleaning action of the serrated rubber drum will not fill up". (R2851a)

It is evident from the statement that the belt "will not fill up" that the operation described is a simple sanding operation. Mr. Pendergast, who owned Timesaver, Inc., and approved the text of this advertisement, later learned of the

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[7] Baker, R490; Fishleigh, R1539a-40a, 1718a.

[8] Van Ormer, R1865a; Fishleigh, R1540a.

microseal process and characterized it as "revolutionary" and "truly sensational".[9]

U.S. Plywood repeatedly seeks to equate the accused processes with the worn 2/0 grit process disclosed by the prior art McDonald patent (3070a). This ignores the admission by U.S. Plywood that it was not using the McDonald process (Hemming, R687a and 734a) and the undisputed evidence that McDonald's process was grossly more abrasive than any accused process.[10]

The Patented Process Represents a "Substantial Advance in the Art"

U.S. Plywood's attempted refutation of the holdings of both courts that the process does represent a substantial advance in the art rests at its essence on the proposition (p. 25) that the patented process merely adapted a "known metal polishing process to wood polishing" and on the proposition (p. 24) that the machine and belt were old. The former proposition is wholly false: the alleged "known metal polishing process" was a single experiment which was a complete failure and which was never revived (DX

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[9] DX (TS) 247, R2862a-3a, 896a.

[10] U.S. Plywood's test (PX 1006, R2908a-9a, 254a-5a) of one of its accused processes showed that the amount of wood removed was a very small fraction of that removed by 6/0 sandpaper, which is finer than any used commercially by U.S. Plywood prior to being introduced to the microseal process. That amount is correspondingly tiny in comparison with the amount removed using McDonald's worn coarse belt (see USP's exhibits PX 1053, R2984a and PX 1005 at R2896a). While U.S. Plywood stressed that its test of an accused process showed removal of 3½ pounds of wood dust, this must be considered in the light of the fact that it was collected by running a string of 4 foot wide panels 1152 feet long (144 panels each 8 feet long), which is over twice the height of the Washington Monument, and in comparison with 25 pounds of wood removed from the same number of panels by the 6/0 belt. (R2907a).

2134, R3581a, 3589a-90a, 1874a), and the microseal process cannot be practiced on metal because metal cannot be densified. The latter proposition admits and seeks to perpetuate the precise error of law which is at the foundation of the Petition.

Certiorari Should Be Granted

All of U.S. Plywood's arguments in opposition to the granting of the Petition are founded on the errors discussed above in this brief. Its concluding argument that the case does not warrant review again relies on misrepresentations of facts discussed in this brief, it does not face or refute the public interest considerations presented in the Petition, and again, its argument that the "rule" stated in the Question—that a valid patent on a process cannot be avoided simply by varying the details of the apparatus employed in performing the process—does not require restatement by this court, is based on the "supporting" arguments that the apparatus is old. The Brief in Opposition supports the Petition.

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No. .....

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

UNITED STATES PLYWOOD CORPORATION,

Petitioner,

vs.

GENERAL PLYWOOD CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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No. .....

IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

UNITED STATES PLYWOOD CORPORATION,

Petitioner,

vs.

GENERAL PLYWOOD CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Petitioner, United States Plywood Corporation, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Sixth Circuit in the above-entitled case.

Opinions Below

The opinion of the Court of Appeals rendered on December 28, 1966 is reported at 370 F. 2d 500, and is reprinted in the Supplemental Appendix, page SA 8,[1] *infra*. A timely Petition for Rehearing and for Revision was denied on February 8, 1967, except insofar as the opinion was revised by an Order entered on that date and reprinted at SA 25. The opinion of the District Court for the Western District of Kentucky is reported at 230 F. Supp. 831, and is reprinted at 41a.

Jurisdiction

The jurisdiction of this Court is invoked pursuant to 28 U.S.C. Sec. 1254 (1). The basis of jurisdiction in the District Court was 28 U.S.C. Secs. 1338(a) and 2201. The judgment sought to be reviewed is that of December 28, 1966 (SA-36) as affirmed on rehearing on February 8, 1967 (SA-25).

Questions Presented

1. Does a court have jurisdiction to adjudge and decree a patent to be valid where it is not infringed, in the face of the Constitutional limitation of federal jurisdiction to "Cases" and "Controversies" (Art. III, Sec. 2, Clause 1), and in the face of the Declaratory Judgment Act limitation of federal jurisdiction to a "case of actual controversy" (28 U.S.C. 2201)?

2. Has the Court of Appeals for the Sixth Circuit misconstrued the standard of patentability set in this Court's

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[1] Pages in the Appendix printed for the Court of Appeals are referred to as "—a." Those of the Supplemental Appendix printed herein for this Petition are referred to as "SA—."

recent decision in *Graham* v. *John Deere Co.* (383 U. S. 1) in holding valid a patent on a wood buffing process which simply uses a prior-art polishing belt in a prior art machine to glossify a wood surface?

3. Has 35 U.S.C. 112 abrogated the rule of this Court expresed in *Halliburton Oil Well Cementing Co. v. Walker*, 329 U. S. 1 (1946), that an invention may not be validly claimed "in terms of what it will do rather than in terms of its own physical characteristics?"[2]

Constitutional Provisions and Statutes Involved

This case involves Article I, Section 8, Clause 8 and Article III, Section 2, Clause 1 of the Constitution; Section 2201 of Title 28, United States Code; Sections 101, 102, 103, 112, and 135 of Title 35, United States Code; and Title 37, Part 1, Code of Federal Regulations, Section 1.203. These provisions are set forth at SA 1.

Statement of the Case

Petitioner, United States Plywood Corporation (USP) and Respondent, General Plywood Corporation (GPC) are competitors in the manufacture and sale of prefinished plywood panels for interior use in housing and office building. In 1958, U.S. Patent 2,827,935 (3056a) was issued to GPC as assignee of G. E. Alexander. Thereafter, GPC charged USP with infringement. USP then brought this declaratory judgment action under 28 U.S.C. 2201 and the 1952 Patent Act, 35 U.S.C., to adjudicate its non-liability to GPC, because of its non-infringement or invalidity of the

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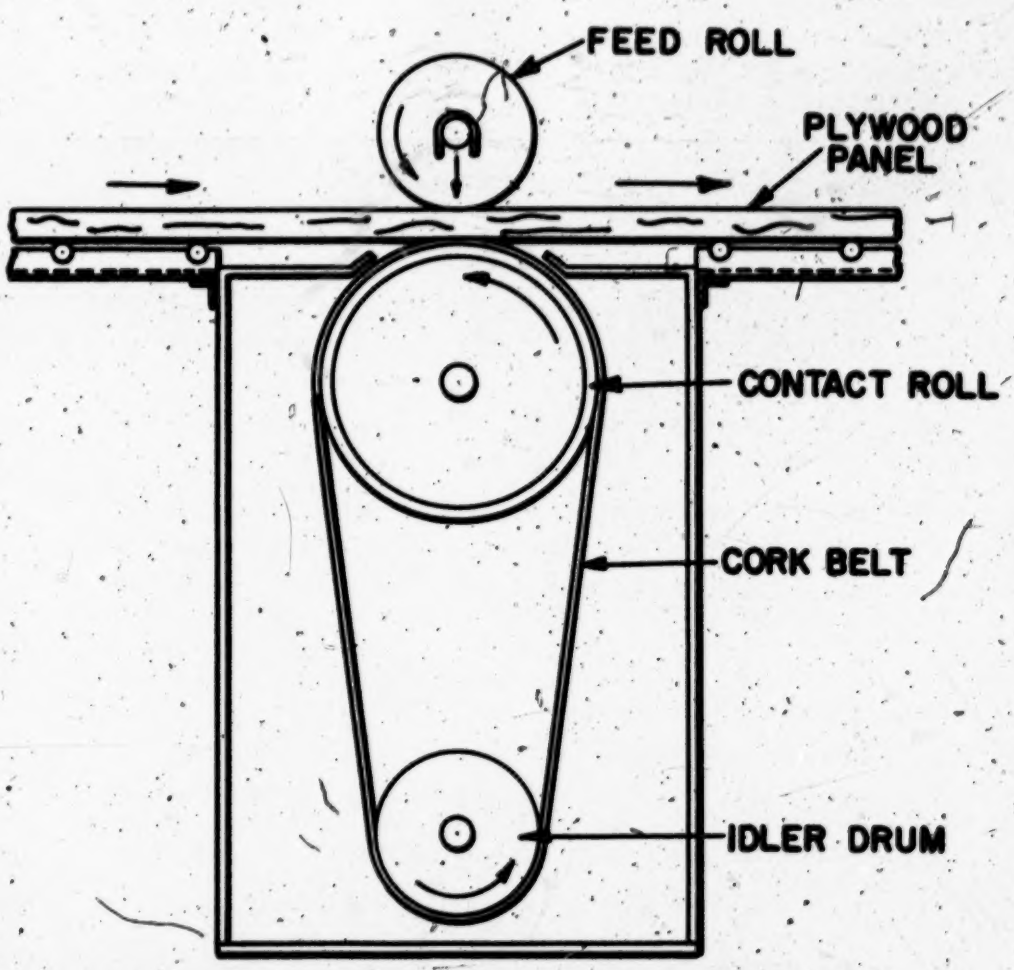
[2] *Halliburton*, 329 U. S. at 9.

patent, or both. The District Court decreed the patent to be valid and not infringed[3] (50a), and the Court of Appeals affirmed on cross-appeals by both parties (SA 24).

As the title indicates, the Alexander patent (3056a) relates to a "METHOD FOR TREATING WOOD SURFACES," the method being illustrated by the drawing of the patent appearing on the following page.

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[3] GPC also counterclaimed for patent infringement and for breach of a supposed confidential relationship; both of these counterclaims were dismissed, and the dismissal was affirmed on appeal. These issues are not involved in the present petition.



ALEXANDER PATENT 2,827,935
IN ISSUE

In essence the patent describes nonabrasively rubbing wood panels in the white[4] with a cork, canvas or cloth (3058a, col. 3, lines 9-17) belt under conditions of speed and pressure to produce desired results, particularly surface glossification (SA 12). The machine described for carrying out the process is a prior-art machine of the "Timesavers" brand type. Both the machine and the belt were admittedly old at the time of the alleged invention. The range of the speed of the belt and of the pressure with which it rubs against the panel was also old.[4a]

As seen in the annexed diagram, the machine has a feed roll which rotates counterclockwise to move a plywood panel through the machine from left to right. The contact roll and idler drum drive the non-abrasive cork belt in the opposite direction at a high speed so as to rub the belt against, and thereby polish, the bottom of the panel as the panel moves through the machine.

During the prosecution of the Alexander application in the Patent Office the Examiner noted (3052a) that it appeared to interfere with Judd Patent No. 2,765,598

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[4] "In the white" means before finishing liquids (such as fillers, stains, or lacquers) are applied to the wood (SA 9).

[4a] The patentee Alexander testified as follows (3696a):

"Q. Now, I just want to make sure that the record speaks clearly on a number of points that have been labored before. You didn't invent the Timesaver Machine, did you, Mr. Alexander?

A. No, sir, I did not.

Q. Nor its range of feed speeds?

A. No, sir, I did not.

Q. Or its range of pressures?

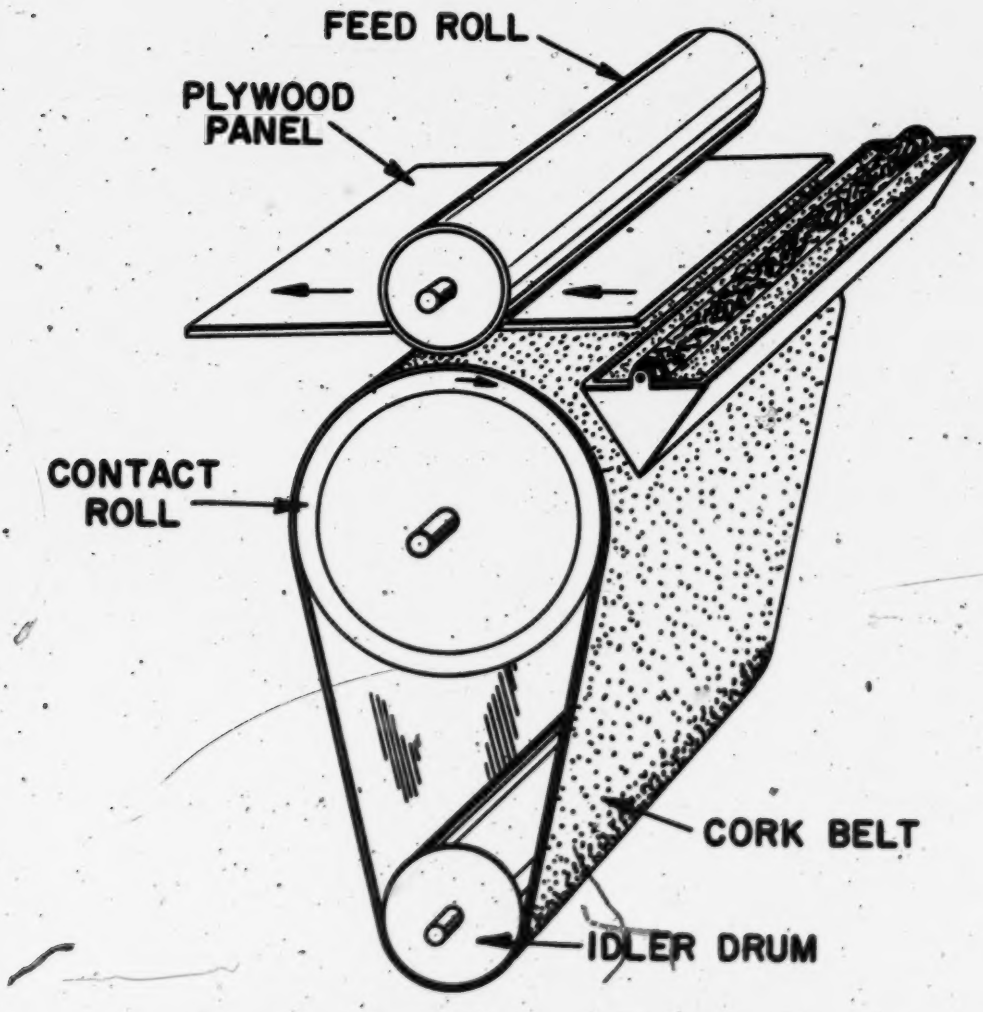
A. No, sir, I did not.

Q. Or its belt speed?

A. No, sir, I did not.

Q. The ranges of feed speeds and pressures and the belt speed are all within the range of Microsealing, are they not?

(*Footnote continued on page* 8)



JUDD PATENT 2,765,598

illustrated by the drawing on the preceding page.[5]

This placed GPC in a dilemma. The processes claimed by Judd and Alexander were either the same or different. If they were the same, the only way that GPC could obtain patent rights to the process was by way of an interference proceeding (35 USC 135).[6] If the processes were different the only way that GPC could obtain patent rights to its process was to attempt to patentably distinguish its process from Judd's process. If GPC chose the latter course, GPC would in effect disclaim the Judd process and be forced to confine its patent to matter not claimed by Judd.[7]

(Footnote continued from page 6)

Mr. Blair: Within the range?

Mr. Groner: Yes.

Mr. Blair: You mean by that entirely encompassed within the range of Microsealing?

Q. I mean to Microseal, you will operate within the range of feed speeds of the Timesaver Machine, within the range of pressures of the Timesaver Machine and you can operate at the belt speed of the Timesaver Machine, isn't that correct?

A. If I understand you correctly, it is, sir.

Q. You didn't invent the cork belt, did you?

A. No, sir.

Q. Or any of the other belts with which we have been concerned from 1/0 through 10/0?

A. I had no part in inventing any of those belts, sir."

[5] The machine of the GPC Alexander patent and that of Judd patent are virtually identical because they relate to the same process. Judd was a salesman for Minnesota Mining and Manufacturing Company (3M), and as the Court of Appeals points out (SA 10) worked closely with Alexander on the process. A dispute between GPC and 3M arose as to rights to the process, and 3M caused the Judd patent to be filed. This dispute was finally settled by 3M's agreement to dedicate the Judd patent to the public in exchange for GPC's agreement not to sue 3M on the GPC patent or on any improvements to it (3388a). The question of priority of inventorship as between Judd and Alexander is irrelevant here since petitioner does not claim on this petition that Judd was the prior inventor of the process claimed in the Alexander patent. These facts are related solely for the purpose of explaining the reasons for the virtual identity of the Alexander and Judd patents.

[6] The Patent Act (35 USC 135) provides that "The question of priority of invention shall be determined by a board of patent interferences . . ."

[7] Patent Office Rule 203(b) (37 C.F.R. 1.203b) provides that "failure or refusal of any applicant to make any claim suggested

(Footnote continued on following page)

GPC elected to disclaim the process claimed by Judd[8] and to amend its claim by adding a "distinguishing element" as suggested by the Examiner, in an attempt to overcome Judd (3051-3a). GPC's claim before and after amendment is shown below,[9] the matter deleted from the claim being bracketed and the matter added being italicized. The only real change in the claim was the addition of the step "correlatively controlling the buffing speed, pressure and time".[10] After this change was made the Examiner and

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(Footnote continued from preceding page)

. . . shall be taken . . . as a disclaimer of the invention covered by that claim . . ." Thus, despite the fact that Judd had a later effective filing date (since Alexander relies on the date of his abandoned parent application Ser. No. 566,690 filed February 20, 1966) the Judd claim is prior art by reason of file wrapper estoppel. *Application of Tobias*, 343 F. 2d 495, 496 (CCPA 1965).

[8] Judd patent Claim 1 reads:

"The method of providing a substantially flat, nib-possessing wood surface with a glossy and relatively non-porous finish comprising buffing the surface under light and uniform pressure with a durable, resiliently-backed, heat resistant sheet faced with small closely spaced resilient particles for a time sufficient to embed the nibs inso said surface without scorching the wood." (3069a)

Following claims are similar, reciting the particles as being of cork.

[9] The method of providing a substantially flat wood surface with a glossy and relatively non-porous finish comprising; non-abrasively buffing the surface [under light and uniform pressure] with a buffing medium having a flexible yielding relatively non-abrasive frictional heat insulating rubbing surface *moving at a predetermined buffing speed;* [and pressing] *compressing the buffing medium between a backing member and said wood surface to press* the buffing medium [with a backing member] into intimate and firm contact with said surface [for a time sufficient to]; *and correlatively controlling the buffing speed, pressure and time to compress,* pressure smooth and densify the surface wood without scorching the wood."

[10] The District Court statement that Alexander's deletion by this amendment of "any statement that his process involved the application of light pressure upon the wood . . . distinguished his process from that described in the Judd patent" (46a) is incorrect. The deletion of the phrase "under light and uniform pressure" from Alexander's claim was not significant, since Judd used this phrase to cover pressure "sufficient to heat . . . substantially but short of the time at which scorching is encountered" (3069a, Col. 3, lines

(Footnote continued on following page)

GPC's attorney "agreed[11] that claim 19 (now patent claim 11) as amended is allowable" (3053a) and the patent subsequently issued with this claim 11, which is the claim which both lower courts treated as representative of the patent.

In USP's accused processes, no cork or cloth belt was used. USP used a fine sandpaper (of 8/0, 9/0 and 10/0 fineness)[11a] which both the District Court and the Court of Appeals found to be abrasive, rather than non-abrasive like Alexander's cork, canvas or cloth belt, and principally on this ground, among others, the patent was adjudged to be non-infringed by both courts below.

The validity of the patent was also considered by the District Court, which found it to be valid, discussing in its opinion only the Judd patent and with no discussion of other prior art relied on by petitioner (46-47a). The decree specifically held the patent to be valid (50a). On cross appeals by both parties, the holding of validity was affirmed, without discussion of any of the prior art (SA 18-19); this is the subject of Question 2 above. The Court made no reference to the matter of vagueness or functionality of the patent claims, which is the subject of Question

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(Footnote continued from preceding page)

52-53). This is the same pressure as called for in the Alexander patent, namely, "the best results are obtained when the temperature of the wood approaches its scorching temperature . . ." (3060a, Col. 7, lines 68-69). The identity of Judd and Alexander's pressures is further borne out by GPC's Alexander Canadian application which claims exactly this "light and uniform pressure," having copied the Judd claims verbatim (3755a; 3277a, claims 1-3).

[11] This agreement is reminiscent of a similar agreement discussed by this Court in the *Graham* suit, *supra* (383 U. S. at 33-34). In both instances the agreement was reached during a personal interview with the Examiner, and subject to the same defects of inadequate public representation and inadequate presentation of both sides to the controversy.

[11A] The "8/0, 9/0, and 10/0" reference relates to relative fineness of the grit of abrasive belts. For example 2/0 is also classified as a "medium" grit, 5/0 as a "fine" grit, and 8/0, 9/0 and 10/0 as "very fine" grits (3454-55a).

3 above. The Court of Appeals also expressly upheld inclusion of the adjudication of validity in the decree (SA 19), which is the subject of Question 1 above.

Reasons for Allowance of the Writ

This Court in its recent series of decisions in the field of patent law[12] has given recognition to the important effects of the patent law on the public. The entire patent system is presently under serious study by the Congress, bench, bar and public at large for the purpose of revising it to bring it into better conformance with today's needs. There is no question of the patent system's importance to the public in promoting the progress of science and the useful arts. But equally important is the vigilance of the Courts to protect the public against efforts at stifling the progress of the arts by subversion or misinterpretation of the purposes of the patent system.

This case is one where the lower courts have failed in the exercise of this vigilance. This failure occurred as to three important questions, none of which can be adequately remedied by Congressional revision of the Patent Act, and each of which requires judicial action by this Court. The first and third questions involve serious conflicts between the circuits on important patent issues. The second question involves a grave misconstruction of this Court's most recent *Graham* decision in such a way as to effectively reduce, indeed nullify, the ameliorative effect of that decision as to process claims of the type here involved. None of these three questions involves issues of fact. The facts relevant to these questions which are relied on herein are indisputable on the record below, as will be shown. Thus this case presents a unique opportunity for this Court,

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[12] *Graham* v. *John Deere Co.*, 383 U. S. 1; *Calmar Inc.* v. *Cook Chemical Co.*, 383 U. S. 1; *United States* v. *Adams*, 383 U. S. 39; *Walker Process Equip.* v. *Food Mach. Chem. Corp.*, 382 U. S. 172; *Hazeltine Research Inc.* v. *Brenner*, 382 U. S. 252; *Brenner* v. *Manson*, 383 U. S. 519.

which is now most acutely attuned to the needs of the patent system, to correct serious faults which have worked their way into the law by gradual erosion of rules set by this Court in the past.

I. The Sixth Circuit Court of Appeals Is in Direct Conflict With This Court and Other Circuit Courts of Appeals on the Important Question of Jurisdiction to Adjudge and Decree a Patent to Be Valid in the Absence of Infringment

The jurisdiction of federal courts is limited by the Constitution to "Cases" and "Controversies", and is limited by Title 28 in Declaratory Judgment actions of the type herein to a "case of actual controversy."[13] This Court has applied this jurisdictional limitation in patent cases to require a lower court to reform its final decree by deleting the adjudication of validity in the absence of infringement.[14] This Court has further said:

> "To hold a patent valid if it is not infringed, is to decide a hypothetical case."[15]

The First, Second and Ninth Circuits have followed this principle.[16]

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[13] Constitution, Art. III, Sec. 2, cl. 1; 28 U.S.C. Sec. 2201 (SA 1-2).

[14] *Electrical Fittings Corp.* v. *Thomas & Betts Co.*, 307 U. S. 241 (1938).

[15] *Altvater* v. *Freeman*, 319 U. S. 359, 363 (1943), citing with approval *Cover* v. *Schwartz*, 133 F. 2d 541, 545 (2nd Cir. 1942), cert. denied, 319 U. S. 748, which held: "For, once the issue of infringement is decided against the patentee, there exists no case or controversy justifying a decision in his favor that the patent is valid. . : . The holder of the patent has no dispute with the person who is not infringing or threatening to infringe."

[16] *Hap Corp.* v. *Heyman Mfg. Co.*, 311 F. 2d 839, 844 (1st Cir. 1962), cert. denied, 373 U. S. 903; *Addressograph-Multigraph Corp.* v. *Cooper*, 156 F. 2d 483, 485 (2nd Cir. 1946); *Cover* v. *Schwartz*, 133 F. 2d 541 (2nd Cir. 1942); *R. H. Baker & Co.* v. *Smith-Blair, Inc.*, 331 F. 2d 506, 507-8 (9th Cir. 1964); *National Screw & Mfg. Co.* v. *Voi-Shan Industries, Inc.*, 347 F. 2d 1, 3 (9th Cir. 1965).

The Sixth Circuit stands alone among the circuits as having passed squarely on this point in direct conflict with these holdings, having so decided on five occasions inclusive of this one.[17]

This is not simply a sterile semantic problem of reforming a decree. Judge Frank of the Second Circuit high-

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[17] *Aluminum Co. of America* v. *Thompson Products*, 122 F. 2d 796, 799 (6th Cir. 1941); *Crampton Mfg. Co.* v. *Crampton*, 153 F. 2d 543 (6th Cir. 1946), cert. denied, 328 U. S. 840 (Note dissent of Chief Judge Simons at 153 F. 2d 546-7, stating, "Just as there can be no infringement of a void patent, so it is clear to me that to hold patent claims valid as against a noninfringer, is to decide a hypothetical case. . . . '(W)e may not declare them, or direct an amendment of the decree to adjudicate validity proscribed by the Thomas & Betts case.'"); *Sparton Corp.* v. *Evans Products Co.*, 293 F. 2d 699, 705-6 (6th Cir. 1961), cert. denied, 368 U. S. 967 (1962); *Maytag Company* v. *Murray Corp. of America*, 318 F. 2d 79 (6th Cir. 1963). This conflict of the Sixth Circuit with the other circuits has been judicially noted in *Aurex Corp.* v. *Beltone Hearing Aid Co.*, 236 F. 2d 644 at 649 (7th Cir. 1956). Other circuits such as the Fourth Circuit in *Harford A. & B. Ass'n* v. *Puett Elec. Start. Gate Corp.*, 182 F. 2d 608 (4th Cir. 1950), cert. denied, 340 U. S. 878, and the Fifth Circuit in *Georgia Kaolin Co.* v. *Thiele Kaolin Co.*, 228 F. 2d 267 (5th Cir. 1955), have upheld patents as valid but not infringed, but there is no indication that the question of propriety of such judgments from the viewpoint of jurisdiction was raised. There may be other such decisions, but as Judge Frank said in *Wabash Corp* v. *Ross Electric Corp.*, 187 F. 2d 577, 594 (2nd Cir. 1951), cert. denied, 342 U. S. 820: "Very likely it was because appellee did not suggest deletion that this court overlooked the necessity for a deletion order. Such an inadvertent omission does not create a precedent. As Mr. Justice Sutherland said: 'Questions which merely lurk in the record, neither brought to the attention of the court nor ruled upon, are not to be considered as having been so decided as to constitute precedents.'" (citing *Webster* v. *Fall*, 266 U. S. 507, 511)

lighted the evils resulting from "gratuitously"[18] declaring patent validity in the absence of infringement as done here:

> "(1) It is a decision of a hypothetical case, and as such, is improper, and perhaps unconstitutional.
>
> "(2) It may, in future litigation, unfairly prejudice the successful defendant.
>
> "(3) It gives the patent owner, gratuitously, a highly persuasive precedent for use in litigation, or threatened litigation with other prospective defendants, thereby hurting the public interest."[19]

Judge Frank's well reasoned and highly lucid opinion on this question further points out that such "judicial benedictions" of validity enable the losing patentee "to threaten other less well-heeled competitors with the notorious expense of patent litigation, and thereby coerce them

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[18] *Wabash Corp.* v. *Ross Electric Corp., supra,* 187 F. 2d at 588-9. In this decision Judge Chase and Judge Frank of the Second Circuit disagreed strongly with each other as to whether it is appropriate for a lower court to even "tentatively" hold a patent valid though not infringed so that, in the event the Court of Appeals reverses the noninfringement decision, it may then summarily dispose of the case. Judge Chase argued that such tentative holdings are proper; Judge Frank disagreed. Both judges agreed that the *decree* should not adjudicate validity in the absence of infringement.

[19] As aptly stated in *Gratuitous Findings of Validity: A Judicial Gift to Patentees,* 61 Yale Law Journal 98, 103 (1952): "But, more important, a patentee may exploit unnecessary findings to stifle competition in the area insulated by his grant. Since patent litigation is a costly matter, competitors carefully weigh their chances of success before undertaking the defense of an infringement suit. If the patentee can back his threat of suit with a judicial pronouncement of his patent validity, competitors are not likely to risk a court battle. Only the most determined infringers will contest a patent once pronounced valid by a court. The others must pay tribute to the patentee for the legal privilege of using his 'invention'. Or if they cannot afford the license fee, they will have to stop using their 'infringing' device. In either event, the benefits of competition are unjustifiably denied the public."

into onerous license agreements, the cost of which would be passed on to the consuming public.'"[20] When a patent owner sues a defendant who can easily prove that he is not infringing, the defendant may not be diligent in his proofs of validity, or he may focus his validity attack on the patent scope asserted by the patentee.[21] Accordingly the trial judge may not receive all of the available evidence on (or give adequate attention to) validity, and may thus declare a patent valid when it is not obviously invalid, but where invalidity would appear only from a more comprehensive presentation of evidence of the prior art. To illustrate this situation, Judge Frank refers to this Court's decisions in *Smith* v. *Snow,* 294 U. S. 1 (1935), where this Court sustained the patent's validity, but later invalidated the same patent in *Smith* v. *Hall,* 301 U. S. 216 (1937), on evidence not offered in the earlier case.[22]

With regard to the *Sinclair* decision[23] Judge Frank held that it requires the trial court to hold a patent invalid, if the "evidence shows a patent to be glaringly invalid." Nothing in *Sinclair* "requires or permits him, in defiance of Electrical Fittings to find that an uninfringed patent is valid." *Sinclair* said that the better practice was that employed in *Cover* v. *Schwartz, supra,* where the Second Circuit Court of Appeals held that, in deciding against a patentee, the court may hold the patent: (1) invalid, (2)

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[20] 187 F. 2d at 589, citing Mr. Justice Jackson's reference in *Muncie Gear Co.* v. *Outboard Co.,* 315 U. S. 759, 768, to the public interest which is "so frequently present but so seldom adequately represented in patent litigation."

[21] As done here, where the lower court said that the patent would be invalid, if given the scope urged by GPC (SA 22).

[22] 187 F. 2d at 590-1

[23] *Sinclair & Carroll Co.* v. *Interchemical Corp.,* 325 U. S. 327 (1945), referred to by the Court below, without discussion (SA 19).

not infringed, or (3) not only invalid but also not infringed, stating:

> *"Where, however, the court finds against the plaintiff as to infringement, it cannot go on to hold in his favor as to validity. For, once the issue of infringement is decided against the patentee, there exists no case or controversy justifying a decision in his favor that the patent is valid."* (Judge Frank's emphasis)[24]

Petitioner commends to the attention of this Court to Judge Frank's entire opinion in *Wabash,* as a noteworthy and persuasive discussion of the issue raised here.

Thus, the public interest is served by striking down an invalid patent: the public is thereby given freedom to use and exploit the unpatentable invention, as it is and should be entitled to do. No such public benefit accrues to a bare decree of validity where infringement is absent. Such a decree leaves uncertain the exact scope of the patent, and leaves undecided what may be the exact meaning of the claimed definition of the patent monopoly. It provides no specific test (such as a definite accused activity) from which to determine what that scope and meaning may be. In short, validity is essentially indeterminate without having a specific criterion against which to measure the scope of the patent. A patent if construed one way may be valid; if construed another way, it may be invalid. A bare decree of validity, in the absence of a specific activity held to infringe, offers no aid to the public as to where the patent monopoly extends, but instead presents the mischief of placing a strengthened *in terrorem* weapon in the hands of the patentee.

These reasons against adjudicating validity in the absence of infringement are particularly compelling here.

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[24] 187 F. 2d at 595-6

The Alexander patent has eight more years of life.[25] Neither of the lower courts has adjudicated precisely what is the valid *scope* of this patent; they have simply held it valid. Quite obviously it is not as broad as GPC asserted it to be, since both lower courts agree that it does not cover the accused operations of USP. Indeed, the Court of Appeals held that, if the patent were accorded the scope asserted for it by GPC, "it would be hard to ascribe to it the novelty, as opposed to prior art, which is required for invention" (SA 22). Nevertheless the lower courts adjudicated it valid as to some undefined scope,[26] and USP will be bound by *res judicata* as to this adjudication and others will be handicapped by the effect of the doctrine of *stare decisis*.

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[25] GPC has a related improvement patent No. 3,219,473 which issued in 1965 and thus has fifteen more years of life (3901a).

[26] The Court of Appeals gave as reasons for its adjudication of validity, that the "issues raised by cross-filed pleadings are complex", that validity is "squarely attacked" by USP, and that the case "involved a lengthy trial of complex facts, most of them bearing directly upon the issue" (SA 19). The same could be said of practically every patent case. Complexity of the issues and length of the trial do not transform a hypothetical question into a justiciable controversy. Nor did validity become justiciable simply because USP sued GPC rather than vice versa. "The requirements of case or controversy are of course no less strict under the Declaratory Judgment Act . . . than in case of other suits." *Alvater, supra*, 319 U. S. at 363. The Court of Appeals cited *Sinclair Co.* v. *Interchemical Corp.*, 325 U. S. 327 (1945), to support its approval of the validity decree. *Sinclair* of course held that it was preferable to *dispose* of patent cases on the ground of *invalidity*—it did not countenance gratuitous adjudication of validity in the absence of infringement. "The [Sinclair] admonition is limited to those cases in which the patent is invalid." *M.O.S. Corp.* v. *John I. Haas Co., Inc.*, —— F. 2d ——, 153 USPQ 153, 155 (9th Cir. 1967). The Court of Appeals next cited *Altvater, supra*, to support its adjudicating validity (SA 19). This conflicts with virtually every other court that has cited *Altvater* on this point. Note the decisions of the other circuits in footnote 16 above, all of which rely on *Altvater* to reach the opposite conclusion. Note also Judge Frank's discussion of this sort of misconstruction of the *Altvater* decision at 187 F. 2d 604-5. The Court of Appeals finally cites its own *Sparton Corp.* decision, *supra*, which is equally as wrong as the decision herein on this point.

Does the valid scope of this patent extend to a somewhat less abrasive operation than USP is now using and if so, how much less abrasive? Does it extend to a somewhat higher belt pressure or speed than USP is now using and if so, how much higher? No one knows, because these conditions were not adjudicated. Despite this, if USP should change to a less abrasive belt or to another pressure or speed of operation, and if GPC sued USP on these changed conditions, USP would be estopped by *res judicata* from contesting the validity of the Alexander patent as to these new operations.[27] And if USP should find additional prior art which would render the patent invalid if construed to be of different scope, it could not assert this prior art, because it would be estopped from challenging validity by the lower court adjudication. The effect on USP is obvious. It cannot afford to take the risk of experimenting with these conditions and thus chance another lawsuit as expensive as this one has been. USP's only alternative is to stand pat for at least the next eight years (or next fifteen years relative to the improvement patent, f.n. 25) on the conditions which have been found not to infringe. This is no way to promote the progress of science and the useful arts.

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[27] The Ninth Circuit Court of Appeals. in *National Screw & Mfg. Co.* v. *Voi-Shan Industries, Inc.* 347 F. 2d 1, 3 (9th Cir. 1965), recognized this problem and correctly refused to adjudicate any valid scope for a noninfringed patent in the following language:

> "The question of validity which was at issue related to the patent as read with the broad construction contended for by appellants. We do not rule upon the precise scope of the patent nor upon its validity when less broadly construed *since these issues were not subjected to the test of adversary proceedings.*
>
> * * *
>
> Therefore, we do not by our decision hold the patent invalid. We hold that for the reasons set forth in our earlier opinion it may not be given the broad construction for which appellants have contended, since with such construction it would be invalid. Since it is conceded that as otherwise construed there is no infringement, *the question of validity is not reached.*" (Emphasis added)

The effect on the public at large is essentially similar. District Courts in the Sixth Circuit will feel bound by the decision below, and other District Courts (as in the suit by GPC on this same Alexander patent against Georgia Pacific Corporation, now pending in the United States District Court for the Southern District of Georgia (Civil Action 1127)) will feel impelled to give it great weight. Most assuredly we can expect GPC in the language of Judge Frank (p. 14, *supra*) to use this adjudication as a "highly persuasive precedent". In reality it is a groundless precedent, since it is a totally hypothetical adjudication, but it remains a persuasive one unless this Court sets it aside.

The effect on the remainder of the industry will be one of *in terrorem*. Our expectation that GPC will use this adjudication against the industry is not mere speculation. Following the District Court's decision the Wall Street Journal headlined the event, "General Plywood Finishing Patent Upheld by Court", quoting GPC's president Henry M. Reed as saying, "We have won the battle of having our patent validated" (SA 26). When the Court of Appeals affirmed the lower court, the Wall Street Journal again headlined the event, "Appeals Court Upholds Prefinishing Patent of General Plywood" (SA 30). Subsequent to this report GPC's President Reed was quoted in the Louisville Times of January 23, 1967 as saying that "Ninety-five per cent of the people in the hardwood plywood business are using the Microseal [Alexander patent] process" (SA 31). In other releases to the press and to its stockholders, GPC has clearly proclaimed the validity of the patent, and indicated its intent to hold it over the heads of the industry (SA 26-34).

Publicity of this type leaves no doubt that GPC intends to exploit this adjudication to the limit. It will undoubtedly deter competition in this plywood industry, to the detriment of the progress of the arts in this area, unless set aside by this Court.

II. The Sixth Circuit Court of Appeals Has Misconstrued the Standard of Patentability Set By This Court in the *Graham* Case in Applying It to a Process.

For fifteen years this Court abstained from passing on the standard of patentability. In the last term, this Court reaffirmed in *Graham* (383 U. S. 1) the strict standard of patentability set by this Court in 1850,[28] thus silencing speculation that the standard of patentability had been lowered by the 1952 Patent Act.

But within the same year of this decision, the not too gradual (and perhaps galloping) erosion of this standard has already been started in the Sixth Circuit by the Court of Appeals in this case. Just as this Court found it necessary to grant certiorari in the *Great A. & P. Tea Co.* case[29] to halt the wearing down of the standard of patentability, this Court has all the more reason to grant certiorari here to prevent virtual nullification in the Sixth Circuit of the effect of the *Graham* decision on this standard.

The Court of Appeals found that the Timesaver machine used by Alexander "was built[30] and patented by others", the "cork belt applied was patented by 3M" and that cork belts were "previously used for polishing wood" (SA 17). The patent itself admits that "wood burnishing operations which involve frictionally heating wood with cloth" were known in the prior art (3060a, Col. 8, lines 14-16).[31] De-

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[28] *Hotchkiss* v. *Greenwood*, 11 How. 248 (1850)

[29] *Great A. & P. Tea Co.* v. *Supermarket Equip. Corp.*, 340 U. S. 147 (1950)

[30] The Court noted that a special "soft contact roll" (SA 10) was added to the machine, but the patent admits that such selection could be made "in a manner known in the art." (3057a, Col. 2, lines 59-63). The Court's reliance on this as one of the novel features of the Alexander patent (SA 17) is thus contradicted by the patent itself.

[31] The patent also states that belts made of "canvas, or other cloth" are suitable alternatives and equivalent to the cork belt (3058a, Col. 3, line 16). Thus the reliance of the Court on use of a cork belt in rubbing wood in the white (admittedly equivalent to prior-art cloth belts) as another novel feature (SA 17) is also contradicted by the patent.

spite this the Court of Appeals held the patent valid over (but without discussing) the prior art. In this, the Court below essentially disregarded the test of obviousness, by relying principally upon the "secondary considerations"[32] of a supposed long existence of the problem and failures of others.[33]

In fact, the gist of the supposed invention is the correlation of speeds and pressures in a prior-art machine using a prior-art belt to produce desired smoothness and glossiness, and this very correlation is taught by the prior-art Judd patent, which teaches obtaining the same results (of glossification) by rubbing wood panels with the same belt (a cork belt) in the same type of machine.

Regarding the Judd patent the Court of Appeals held that the Patent Office Board of Patent Appeals granted the Alexander patent "after finding it not anticipated by prior-art (apparently including the Judd patent)" (SA 11). This is flatly wrong. The Board of Appeals acted only in Alexander's first (abandoned parent) application and did not act in the second (continuation) application which matured into the patent in suit. The Board of Appeals' decision was dated September 30, 1957 (3015-20a), two and a half months before the Judd patent was cited in the continuation application during the Patent Office interviews of December 16 and 17, 1957 (3051a). The Judd patent was never cited in the first application. No Board or Court has passed on whether the slight changes made to patent claim 11 (considered as a representative claim below) during the interviews, and to which the patent "subject matter as a whole reduces",[34] were obvious in view of the Judd patent.

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[32] *Graham, supra,* 383 U. S. at 17

[33] In fact, the economic compulsion for simplification of wood finishing had existed only since the advent of substantial Japanese competition in 1954 (SA 9, 62-32, 1238a), and there is no evidence of any earlier need to or any earlier strenuous efforts by others to smooth wood to a greater extent before the finishing operations.

[34] *Graham, supra,* 383 U. S. at 34

The District Court incorrectly held (46a) that the Patent Office failed "to mention the Judd patent at any time as a reference in its consideration of the Alexander application."[35] The Court below incorrectly assumed that the Board of Appeals had passed on it (SA 11). In fact, no one (except perhaps the Examiner in the company of GPC's attorney) could have considered this matter, and it is all too apparent that the Examiner failed to give it adequate consideration at that time (3053a).

This surely does not satisfy this Court's direction in *Graham* that the inquiry into patentability by the courts and the Patent Office "must be beamed with greater intensity on the requirements of Section 103."[36]

Assuming, however, for purposes of this petition that Judd does not disclose the exact correlation of belt pressure and speeds which are disclosed in Alexander,[37] this correlation does not amount to a patentable invention. The mere correlation of adjustable variables for improving results is a matter for obvious experimentation.[38] The operating instructions issued with each prior-art Timesaver machine

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[35] The District Court also incorrectly found a distinction based on pressure difference between Judd and Alexander (46a). This was not passed on by the Court of Appeals and is answered in footnote 10 herein above.

[36] 383 U. S. at 19

[37] In fact, Judd did disclose the very same pressure and speed correlation as is evident on the face of the Judd patent. Judd discloses a belt speed of 4000 feet per minute (3068a, Col. 2, line 57); Alexander discloses 4000 feet per minute (3060a, Col. 7, line 27). Judd discloses a panel feed speed of "approximately" 60 feet per minute (3068a, Col. 2, line 60); Alexander discloses 90 feet per minute (3060a, Col. 7, line 27). The identity of pressures is shown above in footnote 10.

[38] See *Kwik Set Inc.* v. *Welch Grape Juice Co.*, 86 F. 2d 945, 947 (2nd Cir. 1936).

told the operator to adjust belt speeds, pressures and feed speeds until the desired results were obtained.[39]

Indeed, this is all that was done, when this process was first performed. Alexander in an affidavit in his corresponding Canadian patent application attested that the first time his patented process was performed was on or about May 18, 1955, when he "caused a . . . door skin panel to be glossified by . . . Judd on a 24" Timesaver machine located in Louisville Plant 12 of the Reynolds Metals Company" (3757a). Reynolds had a Timesaver machine and had been using it with a cork belt for polishing aluminum panels (83a). Judd testified that he merely adjusted the machine for the width of the wood panel, and that it was then, "Just a matter of feeding the panel into the machine . . ." (84a). Thus, the identical machine, with the identical cork belt, was merely changed by minor obvious adjustments from polishing aluminum to polishing wood. And GPC now has a patent monopoly on that wood polishing process. This Court should not countenance such an egregious abuse of the patent system.

The fact that the Judd patent has been dedicated to the public is also most important. The public is fully entitled

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[39] These instructions included the following pertinent directions (2684a):

> If too much stock is being removed or if the pulp between grain is being removed, causing an uneven surface, move the feed rolls away from the machine to set up a counter weight for the feed roll. This will reduce the pressure on the feed roll. . . . It will be necessary to run a few pieces to ascertain the best position of the counter weights for your particular job. In running wide stock it is sometimes advisable to remove the counter weights as all the pressure available is needed. . . . This gives three adjustments to getting just the finish you want and also for cleaning up stock even though rough. First is the adjustment of the feed roll, next the grit of the abrasive and finally the adjustment of the counter weights. . . . At the right side of machine is your infinitely variable speed selector. . . . A little experimenting will provide the best speed for your set up. Ordinarily we suggest slower feed for rough work where considerable stock has to be removed and faster speed for polishing.

to use it. If GPC had wanted to exclude the public from using Judd's process, GPC should have engaged in an interference with Judd to contest priority of invention in the Patent Office. Having failed to lay claim to the Judd process, GPC cannot now do indirectly what it has failed to do directly. GPC cannot prevent the public from a fair use of the Judd process, or from following the machine manufacturer's suggestions in adjusting the variable parameters of that process to attain the desired results.

If the Court of Appeals holding, that such obvious experimentation over Judd constitutes patentable invention, is left standing, this Court's *Graham* decision is rendered nugatory in the Sixth Circuit. While paying lip service to *Graham* (SA 19), the Court of Appeals went on to apply the same watered-down patentability standard which prompted this Court to act in *Graham* in the first instance. The Court of Appeals' disregard for the clear purpose of *Graham* should prompt this Court to grant certiorari here to make sure that *Graham* is not similarly avoided by the present and other district courts and courts of appeals.

III. This Court Should Reassert the Rule Against Functional Claiming Announced in *Halliburton* and Thereby Resolve the Conflict Between the Various Courts of Appeals as to Whether Section 112 of the Patent Act of 1952 Overrides the *Halliburton* Rule.

This Court has not dealt with the statutory requirements of "distinctly claiming" the subject matter of a patent,[40] since deciding *Halliburton*[41] in 1946. Claims are "just as important if not more important than the description and

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[40] 35 U.S.C. 112 (1952).

[41] *Halliburton Oil Well Cementing Co.* v. *Walker*, 329 U. S. 1 (1946).

drawings" of the patent.[42] This Court considered the question of proper claiming sufficiently important to grant certiorari in *Halliburton* on this question alone, apart from any consideration of patentability.[43] While this Court has now clarified in *Graham* the law under Chapter 10 (Patentability of Invention) of the Patent Act of 1952, it has not spoken on the requirements for distinctly claiming under Chapter 11 of that Act.

It is readily apparent that clarification is required. Some jurisdictions hold that Section 112 of the Patent Act of 1952 overruled the *Halliburton* decision with regard to distinctly claiming.[44] Other jurisdictions disagree and adhere to what we submit is the correct rule, namely the rule

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[42] Ellis, *Patent Claims*, Baker, Voorhis & Co., Inc., New York (1949), p. 3.

[43] *Halliburton*, 329 U. S. at 3.

[44] In *Application of Fisher*, 314 F. 2d 817, 819 (CCPA 1963), Judge Rich in a dissent said, "Congress thereafter effectively overruled that [*Halliburton*] case by enacting the third paragraph of section 112 . . .", citing *Application of Lundberg*, 244 F. 2d 543, 547 (CCPA 1959) where the Court held that this paragraph "was designed, at least in part, to modify or overrule" *Halliburton*. In *Bryan* v. *Sid W. Richardson, Inc.*, 254 F. 2d 191, 194 (5th Cir., 1958) cert. denied, 358 U. S. 815, the Fifth Circuit Court of Appeals held, "If Halliburton . . . caused either a real or psychosomatic infirmity in the body of the prior law, it is plain that Section 112 was meant as a sufficient transfusion to restore vitality to the principles before and since pronounced." See also *Aluminum Company of America* v. *Sperry Products, Inc.*, 285 F. 2d 911, 915-6 (6th Cir. 1960), cert. denied, 368 U. S. 890; *Binks Mfg. Co.* v. *Ransburg Electro-Coating Corp.*, 281 F. 2d 252, 256-7 (7th Cir. 1960), cert. dismissed, 366 U. S. 211; *Stearns* v. *Tinker & Rasor*, 252 F. 2d 589, 597-8 (9th Cir. 1957), cert. denied, 350 U. S. 830.

of *Halliburton*.[45] The subject has been discussed in many law reviews.[46]

The Court of Appeals and District Court here appear to have tacitly followed the school which believes that *Halliburton* has lost all of its vitality,[47] as will be shown below. Consequently this petition presents this Court with a most effective means to reassert the rule of *Halliburton* and thereby reinstate the same high standard of distinctness in claiming, along with the high standard of patentability recently announced by this Court in *Graham*.

The patentee must "inform the public during the life of the patent of the limits of the monopoly asserted, so that it may be known which features may be safely used

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[45] *S. D. Warren Co.* v. *Nashua Gummed and Coated Paper Co.*, 205 F. 2d 602, 605 (1st Cir. 1953); *Wagner Iron Works* v. *Koehring Co.*, 282 F. 2d 317, 321 (10th Cir. 1960); *Purdue Research Foundation* v. *Watson*, 214 F. 2d 221, 222 (DC Cir. 1954).

[46] Note Judge Rich's discussion of the commentaries on this point in *Fisher, supra*, at 314 F. 2d 819-820. Note also the following articles which were not discussed by Judge Rich: Woodward, *Definiteness and Particularity in Patent Claims—A Postscript*, 35 Journal of the Patent Society (hereinbelow JPOS) (1953); Wachsner, *Functional Claims*, 37 JPOS 753 (1955); Barnes, *Functionality in Claims at the Point of Novelty*, 37 JPOS 905 (1955); Boyajian, *Another Aspect of Functional Claims*, 38 JPOS 366 (1956); Blaustein, *Functional Claims under the Patent Act of 1952*, 26 George Washington Law Review 613 (1958), and Smith, *Functional Claims and the 1952 Patent Act*, 48 JPOS 426 (1966).

[47] Perhaps prompted by GPC's argument that *Halliburton* had been overruled by the 1952 Act (SA 35). GPC also urged that since the Alexander patent is a process patent, it is not subject to the infirmity of functionality. The lower court may have been convinced by this, despite its own precedents to the contrary. *Campbell* v. *Mueller*, 159 F. 2d 803, 811 (6th Cir. 1947); *Swan Carburetor Co.* v. *Chrysler Corp.*, 130 F. 2d 391, 395 (6th Cir. 1942). It seems too obvious to require citation that the "distinctly claiming" requirement of 35 USC 112 could not be evaded simply by claiming in the form of process claims, rather than apparatus claims.

or manufactured without a license and which may not."[48] For this reason a patentee cannot use "conveniently functional language at the exact point of novelty,"[49] since otherwise the public would be deprived of employing noninfringing means for accomplishing the same function. As summarized in *Halliburton*,[50] patent claims are invalid if they describe the "most crucial element in the 'new' combination in terms of what it will do rather than in terms of its own physical characteristics."

In the present case, all of the claims call for the use of a "relatively nonabrasive" or "unabrasive" rubbing means. How abrasive is a "relatively nonabrasive" or "unabrasive" rubbing means? GPC urged below that an abrasive belt becomes "relatively nonabrasive" or "unabrasive" with use. That is, GPC urged that an operator can start out with an admittedly noninfringing sanding operation, and that this operation starts to infringe as the belt with use becomes less abrasive. As GPC's own expert Mr. Fishleigh admitted, there is no dividing line between noninfringing sanding and the asserted infringing microsealing; instead, there is what he called a "no man's land" (1796a) or a "stage" which "would be neither fish nor fowl" (1713a). The District Court recognized this indefiniteness in finding that "none of the witnesses for GPC were ever able to give the court a satisfactory formula by which it could be told when an 8/0, 9/0 or 10/0 belt ceased to be abrasive and became an infringer of the process in the Alexander patent" (47a).

The same is true of the "distinguishing element" (p. 9 above) added to this claim to avoid the Judd patent. This distinguishing element in patent claim 11 is defined

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[48] *Permutit Co.* v. *Graver Corp.*, 284 U. S. 52, 60 (1931).

[49] *General Electric Co.* v. *Wabash Corp.*, 304 U. S. 364, 373 (1937).

[50] 329 U. S. at 9 (1946).

as "correlatively controlling the buffing speed, pressure and time" of the operation to accomplish the desired results. Claims 1 and 2 call for the "rubbing speed and the pressure and the time of contact . . . being correlated", Claim 3 recites "being correlatively controlled", and Claims 4-18 require "correlatively controlling", and that these parameters be "controlled to cause" a desired result (3061-2a). This is precisely what was prohibited by *Halliburton* in that each of these claims is written "in terms of what it will do[50a] rather than in terms of its own physical characteristics".[51]

This vice in the claims appears at the very point of whatever novelty exists. The Court of Appeals mentioned three features of the Alexander process, which it termed "novel"; while conceding that the prior art "taught something" about each, it stated that the prior art did not teach "the application of all of these features in the combination indicated at the point in the plywood manufacturing process taught by Alexander's patent" (SA 18). Two of those three features (the cork nature of the belt and the resilient roll of the machine[52]) are not present in the invention claimed (see claim 11, quoted by the Court of Appeals at SA 11). This leaves only the correlation of speeds and pressures to produce the desired result of glossifying (i.e., pressure smoothing and densifying) as a possible contribution of Alexander in the claimed invention.

Despite this obvious vagueness and functionality in these claims, and despite USP's urging this as being fatally defective to these claims, neither the District Court nor

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[50a] That is, in terms of producing densification or glossification.

[51] 329 U. S. at 9.

[52] The cork belt feature was expressly found to be old in wood polishing (SA 17). The resilient roll had also been previously used for belt rubbing of aluminum panels (p. 23 above) and the patent admits that this roll is constructed "in a manner known in the art" (3057a, Col. 2, lines 60-63). See also footnotes 30, 31 and 37, *supra*.

the Court of Appeals said one word about indefiniteness or functionality in their opinions. This utter disregard of *Halliburton* by both lower courts is the best evidence of how lame the *Halliburton* rule has become under the 1952 Act.[53] This Court should not allow claims to stand adjudicated as valid which are so vaguely worded as to defy precise construction by the patentee, the courts and competitors of the patentee, and which thereby leave the public uncertain as to the reach of the patent monopoly.

Indeed, if the statute were held to permit such vague and functional claiming at the precise point of novelty, the statute would be unconstitutional since it would give a patentee a monopoly for discoveries which the patentee did not make.[54] The Constitution limits the grant of patents to "inventors" for the "exclusive right to *their* respective writings and discoveries" (Emphasis added). Merely to recognize a desired function is not a discovery of all possible means and ways for performing that function. If in addition to recognizing the desired function, a person also discovers a new means or method for performing that function, then that person is entitled to a patent on that particular means or method. He is not, however, entitled to a monopoly on all means and methods for performing that function, since this would obviously frustrate the basic

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[53] It is Judge Rich's view that "it cannot be stated as sound proposition of law that functional language cannot properly be used at . . . the exact point of novelty. *Application of Fisher*, 314 F. 2d 817, 820 (CCPA 1963).

[54] If functional claims are allowed which will inevitably be very broad, "some future inventor, in the onward march of science, may discover a mode . . . of accomplishing the same task, without using any part of the process or combination set forth . . ." in the patent. The new invention ". . . may be less complicated—less liable to get out of order—less expensive in construction, and in its operation. But yet, if it is covered by this patent, the inventor could not use it, nor the public have the benefit of it, without the permission of the patentee." *O'Reilly* v. *Morse*, 15 How. 62, 112-3 (1853).

purpose of the constitutional grant, "to promote the progress of science and useful arts." This is what happens when purely functional claims are upheld and enforced. Extension of the patent monopoly to all such means and methods would stifle further experimentation and thus ultimately obstruct the progress of the arts.[55]

As in the *General Electric* case[56] there is no need on this question to "inquire whether (the patentee) exhibited invention, or whether his product was anticipated. The claim is invalid on its face. It fails to make a disclosure sufficiently definite to satisfy the requirements" of the Patent Act. The same was true in *Halliburton*, where this Court did not dispute the lower court's findings that the patent *disclosed* patentable invention.[57] Patentability alone is not sufficient. The claims of the patent must properly tell the public what are the limits of the scope of the patent, or else those claims are invalid.

The present case holds that the Alexander patent claims are valid, and thereby is either in direct disregard of this Court's pronouncement in *Halliburton*, or implicitly construes 35 USC 112 as abrogating *Halliburton*. In this, the Court below is in direct conflict with the First, Tenth and District of Columbia Courts of Appeals, which have expressly held that 35 USC 112 does *not* affect the ruling in *Halliburton* (f.n. 45, *supra*). Hence the writ should issue here, to resolve this conflict among circuits, and to determine whether the statutory requirement of distinctness and

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[55] "In this age of technological development there may be many other devices [and processes] beyond our present information or indeed our imagination which will perform that function and yet fit these claims. And unless frightened from the course of experimentation by broad functional claims like these, inventive genius may evolve many more devices to accomplish the same purpose." *Halliburton*, 329 U. S. at 12.

[56] 304 U. S. at 368.

[57] 329 U. S. at 7-8.

certainty in claims (stated to be "important in patent law", in *Halliburton*, 326 U. S. at 3) was correctly applied in this case.[58]

Conclusion

It is therefore submitted that certiorari should be granted on each of the foregoing questions (or such of them as shall appear most important to this Court), to resolve differences among the circuits and for the proper guidance of the Courts of Appeals on principles of patent law of vital importance to the public.

May 8, 1967.

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[58] This is the same ground on which certiorari was granted in *Halliburton* (326 U. S. at 3).

APPENDIX A

Constitutional Provisions and Statutes

CONSTITUTION

ARTICLE I, SECTION 8, CLAUSE 8. PATENTS AND COPYRIGHTS

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

ARTICLE III, SECTION 2. JURISDICTION OF COURTS

Section 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their authority;—to all Cases affecting Ambassadors, other public Ministers and Consuls;—to all Cases of admiralty and maritime Jurisdiction;—to Controversies to which the United States shall be a Party;—to Controversies between two or more States;—between a State and Citizens of another State;—between Citizens of different States;—between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

UNITED STATES CODE

TITLE 28, JUDICIAL CODE

§ 2201. CREATION OF REMEDY

In a case of actual controversy within its jurisdiction, except with respect to Federal taxes, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any

interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

TITLE 35, PATENTS

§ 101. Inventions Patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. Conditions for Patentability; Novelty and Loss of Right to Patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. CONDITIONS FOR PATENTABILITY; NON-OBVIOUS SUBJECT MATTER

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 112. SPECIFICATION

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Appendix A

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

§ 135. INTERFERENCES

(a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

(b) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a

claim is made prior to one year from the date on which the patent was granted.

(c) Any agreement or understanding between parties to an interference, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the interference shall be in writing and a true copy thereof filed in the Patent Office before the termination of the interference as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the interference or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the interference as between the parties to the agreement or understanding.

The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

Any discretionary action of the Commissioner under this subsection shall be reviewable under section 10 of the Administrative Procedure Act.

Appendix A

CODE OF FEDERAL REGULATIONS

TITLE 37, PART I, § 1.203 PREPARATION FOR INTERFERENCE BETWEEN APPLICATIONS; SUGGESTION OF CLAIMS FOR INTERFERENCE

(a) Before the declaration of interference it must be determined by the examiner that there is common subject matter in the cases of the respective parties, patentable to each of the respective parties, subject to the determination of the question of priority. Claims in the same language, to form the counts of the interference, must be present or be presented, in each application; except that, in cases where, owing to the nature of the disclosures in the respective applications, it is not possible for all applications to properly include a claim in identical phraseology to define the common invention, an interference may be declared, with the approval of the Commissioner, using as a count representing the interfering subject matter a claim differing from the corresponding claims of one or more of the interfering applications by an immaterial limitation or variation.

(b) When the claims of two or more applications differ in phraseology, but relate to substantially the same patentable subject matter, the examiner shall, if it has been determined that an interference should be declared, suggest to the parties such claims as are necessary to cover the common invention in the same language. The parties to whom the claims are suggested will be required to make those claims (i. e., present the suggested claims in their applications by amendment) within a specified time, not less than 30 days, in order that an interference may be declared. The failure or refusal of any applicant to make any claim suggested within the time specified, shall be taken without further action as a disclaimer of the invention covered by that claim unless the time be extended.

(c) The suggestion of claims for purpose of interference will not stay the period for response to an office action which may be running against an application, unless the claims are made by the applicant within the time specified for making the claims.

(d) When an applicant presents a claim in his application (not suggested by the examiner as specified in this section) which is copied from some other application, either for purpose of interference or otherwise, he must so state, at the time he presents the claim and identify the other application.

APPENDIX B

Opinion of Court of Appeals

Nos. 16194-95

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

UNITED STATES PLYWOOD CORPORATION,
Plaintiff-Appellee,

v.

GENERAL PLYWOOD CORPORATION,
Defendant-Appellant.

UNITED STATES PLYWOOD CORPORATION,
Plaintiff-Cross-Appellant,

v.

GENERAL PLYWOOD CORPORATION,
Defendant-Cross-Appellee.

APPEALS from the United States District Court for the Western District of Kentucky.

Decided December 28, 1966.

Before: PHILLIPS, EDWARDS and CELEBREZZE, Circuit Judges.

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EDWARDS, Circuit Judge. These appeals represent the culmination of a bitter controversy between a giant member of the plywood industry and a somewhat smaller competitor.

United States Plywood is the biggest of American plywood manufacturers. General Plywood is a substantial manufacturer of plywood doors based in Louisville, Kentucky. At the relevant times in this record the whole industry was adversely affected by the entrance into the United States market of Japanese plywood imports. And at the time also more and more plywood panels were being sold in factory finished form for interior use in housing and office building.

The industry prepared such panels for factory finishing (or for sale to the construction industry unfinished) by running the panels through a series of machine sanders (usually three). The first such machine employed a rough sandpaper of 1/0 grit; the next two were progressively finer. It appears that the finest in general use by the industry at this stage, prior to the event we deal with, was 4/0 grit.

This sanding produced plywood panels ready for finishing and terms in the industry "wood in the white." The surface while relatively smooth was porous, somewhat fibrous, absorptive and without gloss or sheen.

Subsequently, to change all these surface characteristics, finishing required filler, stain, lacquer and polishing. Each of these processes when done at the factory required one or more machine passes with consequent production costs.

In 1954, George E. Alexander, Production Manager of General Plywood, conceived the idea of "buffing," "polishing," or "burnishing" the "wood in the white" panel at this stage before the finishing process. He first tried a cloth buffing wheel which produced some of the effect he was seeking, but with irregularities, including scorch marks, which made the result unsatisfactory. Pursuing the effort,

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Alexander experimented with a patented "Timesaver" machine, which was capable of production processing of plywood sheets. This machine had adjustable feed and roll speeds and roll pressures. Ultimately Alexander ordered a specially constructed Timesaver with a 38-inch roll. The only individual feature added to this machine (other than width) was a special "soft contact roll."

Alexander discussed his proposed process with one Oliver S. Judd, of Minnesota Mining & Manufacturing Company (a leading abrasive manufacturer) and inquired as to what was "used to polish hammer handles." Judd answered, "cork belts," and Alexander thereupon ordered a specially fabricated 38-inch wide cork belt for the Timesaver machine. Both the Timesaver machine and the 3M cork belt were the subject of pre-existing patents. But it does not appear that the two had previously been employed in combination to "buff," "polish," or "burnish" wood in the white plywood panels. When feed speed and roll speed and pressure were adjusted so that panels were fed through the machine at approximately 90 feet per minute, with a one inch (or less) band of contact where surface heat of upward of 400 degrees was generated, the effect which Alexander was looking for was produced. The surface was smoother, glossier, less absorptive, and (as Alexander termed it) "densified." Alexander called the new process "microsealing."

In these stages Alexander worked closely with Judd of 3M and with Pendergast of Timesavers. When Alexander 3M and with Pendergast of Timesaver. When Alexander became convinced that he had a commercially valuable process (he terms it "revolutionary"), he (and General Plywood) set out to patent it. At that point General Plywood discovered that Judd, on behalf of 3M, had already applied for a patent without notice to Alexander or General Plywood.

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Judd's patent application was dated March 27, 1956, and on October 9, 1956, the patent was granted to him. Alexander's patent application was dated October 10, 1956, and the examiner denied the patent.

Subsequently, the Board of Patent Appeals reversed the examiner and granted the Alexander patent, after finding it not anticipated by prior-art (apparently including the Judd patent). Litigation between General Plywood, assignee of Alexander's patent, and 3M, assignee of the Judd patent, resulted in dedication to the public of the Judd patent and an agreement by 3M not to contest validity of the Alexander patent.

The Alexander patent is best described briefly, we think, by quoting Claim 11:

> "The method of providing a substantially flat wood surface with a glossy and relatively non-porous finish comprising; non-abrasively buffing the surface with a buffing medium having a flexible yielding relatively non-abrasive frictional heat insulating rubbing surface moving at a predetermined buffing speed, compressing the buffing medium between a backing member and said wood surface to press the buffing medium into firm and intimate contact with said surface; and correlatively controlling the buffing speed, pressure and time to compress, pressure smooth and densify the surface wood without scorching."

For further consideration, particularly of the problems of validity and infringement, other paragraphs elaborating the process described in the Alexander patent application are relevant:

> "The principal object of this invention is to provide a novel wood surface treating process which can be simply and inexpensively carried out and which results in the substantial improvement of that surface in one

or more respects such as increased hardness, smoothness and reflectivity and reduced porosity and absorbency.

"Another important object is to provide a wood glossifying process which can be performed at high speed on a straight through production line conveyor.

"Another important object of this invention is to provide a novel and inexpensive frictional method for changing the structure of the wood along the surface without changing the underlying structure and, through such change, to effect a substantial increase in surface smoothness and a substantial decrease in its ability to absorb finishing or other materials.

"Another object of this invention is to provide a new and novel process for producing a wood product having its surface wood structure of relatively greater density and finer texture than the density and texture of the underlying natural wood structure."

• • •

"It should be noted that I preferably employ a surface treating belt of the type having a cork surface, e.g., as exemplified by the belts presently made under U. S. Patent No. 2,542,058, except that the very mild abrasive sometimes employed in such cork belts is unnecessary and may be omitted. Any other flexible, yielding, relatively nonabrasive frictional rubbing medium or frictional belt material, such as canvas, or other cloth made of natural or synthetic fibers, may be employed so long as it is capable of frictionally developing the requisite temperature when the requisite operating conditions are employed, and of withstanding both the operating temperatures and pressures. It will be observed that these belts provide a flexible,

frictional, relatively nonabrasive buffing or rubbing and somewhat yielding surface composed of nonmetallic material. Since this material, in comparison with metal, is a relatively poor conductor of heat or a good heat insulator, it may be aptly described as a heat insulating material."

• • •

"The process, however, is essentially a nonabrasive process, as is clear from the fact that even a very light pencil mark made on a piece of wood before treatment is not removed therefrom during the surface treatment."

• • •

"[S]uperior results are achieved by the apparatus illustrated in the drawing wherein the surface of the wood is heated directly by friction and it is a simple matter to obtain relatively uniform pressure between the friction member and all portions of the wood surface and hence uniform heating and densification even though the wood surface is not perfectly flat. In that connection, the use of a rubber or other yielding sleeve on drum 10 helps to distribute the pressure uniformly over the surface even though the surface is not perfectly flat and the sheet of wood is relatively rigid. . . ."

"It is extremely difficult to determine the precise temperatures and pressures which obtain in the practice of this invention with the apparatus of the drawing. I am well satisfied that the minimum temperatures employed should fall within the softening-melting range (400° F. to 525° F.) of the heat plasticizable content of the wood. I am equally well satisfied that the momentary operating temperatures employed may and preferably do greatly exceed that range so long as the

contact time is reduced sufficiently to prevent charring of the surface wood in all instances and scorching in those instances where it is objectionable.

• • •

"Since the desired results are achieved when the temperatures developed are high and only surface wood is heated it is desirable to complete the treatment with the apparatus of the drawing within a time period of no more than 1/8 of a second, and preferably within a period not exceeding 1/18 of a second. The period of treatment is determined by the width of the wood surface contacted under pressure by the friction member and the rate of feed of the work. With a 16-inch rubber covered drum it is estimated that the width of the band of contact is no more than 3/4" when the pressure applied by feed roller 21 is 7½ pounds per lineal inch of roller length.

"The temperature developed during the treatment for any given rate of work feed and width of pressure contact depends on the pressure and the belt speed, increasing as either or both of these factors increase and vice versa. The best results are achieved when the temperature developed closely approaches the scorching temperature for the treatment time employed. . . ."

• • •

tial requirements of the invention as practiced by a friction member are that the desired degree of permanent compression be obtained in a short time and that the pressure, the speed of the friction member and the rate of work feed may be varied widely, if properly correlated to meet those requirements. However, as a guide in determining any desired proper combination of pressures, speeds and feeds in ac-

cordance with the above principles, it may be stated that excellent results on birch plywood have been obtained with the apparatus of the drawing under the following conditions:

"Diameter of drum 10	16"
Work feed	90 ft. per minute.
Belt speed	4000 ft. per minute.
Force exerted by roller 15 ..	7½# per lineal inch.

"Under the above conditions the contact time is 1/18 of a second or less for a contact band of one inch or less and the temperature closely approaches the scorching temperature which is believed to be in the neighborhood of 620° F. for that treatment time. This is indicated by the fact that under the conditions stated a very slight indication of scorching is noted at rare intervals. This can be avoided, if desired, and excellent results achieved by increasing the feed rate to 125 feet per minute." United States Patent No. 2,827,935.

Prior to the issuance of Alexander's patent, General Plywood announced its new process and put the products on the market. It also began actively seeking to interest licensees in its process and succeeded in doing so. As a result, through advertising, through stores, in the Wall Street Journal, and through demonstrations of the process to prospective licensees, General Plywood revealed the process in some or all of its relevant aspects to many potential licensees—and/or competitors. Among these was the giant of the industry, U. S. Plywood.

It is clear that from the beginning U. S. Plywood regarded General Plywood's "Microsealing" as new and as competitively important. Its president, S. W. Antoville, ordered U. S. Plywood's Louisville agent to purchase and forward a microsealed door for U. S. Plywood's examina-

tion and tests. He also ordered one of their salesmen to visit General Plywood's Louisville plant and learn what he could about the process.

General Plywood's reaction appears to us to have been an eager welcoming of U. S. Plywood's interest. At the first visit of the U. S. Plywood's salesman, General Plywood's president, Henry M. Reed, told him that he would like to talk to Antoville. Reed wrote Antoville on October 15, 1956 (just after Alexander filed his patent application):

> "Our investigations lead us to believe we will obtain strong patents, otherwise, we would not bother to spend the money to attempt to obtain them.
>
> "To me it is a one way street. We license companies. If we should not obtain a patent, then our licensees are already 'in business' with the process and have all the techniques and 'know how.' They discontinue paying royalties on the process and we are 'out of luck.'"

There is no doubt at all that U. S. Plywood commenced its investigation of the Microseal process with a view toward finding a way to match its results or, as a reluctant alternative, negotiation of a licensing agreement. Unfortunately for General Plywood, U. S. Plywood found a method fairly readily at hand.

Acting on 3M advice, it found that it could employ a fine sanding operation which was already being used in the industry for finish polishing to achieve on wood in the white plywood panels results at least quite similar to those produced by the microsealing. U. S. Plywood thereupon notified General Plywood that it was not interested in taking a microsealing license and proceeded with the fine sanding procedure outlined above, which it named "Micro-Fine."

Subsequently, when its patent had been issued, General Plywood served U. S. Plywood with written notice of infringement. U. S. Plywood responded with a suit attacking the validity of General Plywood's patent and seeking a declaratory judgment of noninfringement and of patent misuse. Thereupon General Plywood, by counterclaim asserted validity of its patent, alleged infringement and breach of trust by U. S. Plywood and claimed damages.

This then brings us to the two major issues of validity and infringement. The District Judge found the patent valid but not infringed.

Alexander's patent was issued upon a process or a method. The machine he employed was built and patented by others. The cork belt he employed was patented by 3M. But in the view of the District Judge (and in ours) there was novelty and utility sufficient to warrant a finding of invention in Alexander's method of applying these two to the treatment of wood in the white. As the District Judge noted, a process or method may be the subject of a patent. Patent Act of 1952, 66 Stat. 197, 35 U.S.C. § 101 (1964 ed.);[1] *Cochrane* v. *Deener*, 94 U. S. 780 (1876).

These novel features of the Alexander process may be noted:

1) The cork belt, though previously used for polishing wood, had never been employed for treating plywood panels in the wood in the white stage.

2) The employment of a resilient roll for a panelwide cork belt on a Timesaver machine achieved a uniformity of treatment not successfully achieved before.

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[1] "§ 101. *Inventions patentable.* Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 101 (1964 ed.).

3) The employment of relatively high speeds and pressures correlated to achieve the impact of heat just below scorching helped to achieve a surface smoothness, density and gloss in one machine operation which made subsequent finishing operations substantially simpler and less expensive.

In *Cochrane* v. *Deener, supra,* the Supreme Court said:

> "A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts performed upon the subject matter to be transformed and reduced to a different state or thing. If new and useful, it is just as patentable as is a piece of machinery. In the language of the patent law, it is an art. The machinery pointed out as suitable to perform the process may or may not be new or patentable; whilst the process itself may be altogether new, and produce an entirely new result. The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence." *Cochrane* v. *Deener, supra* at 788.

The Alexander process was both new in the industry and of great commercial value. While prior-art (including the Judd patent) taught something about each of the cited features, no prior-art taught the application of all of these features in the combination indicated at the point in the plywood manufacturing process taught by Alexander's patent.

Nor do we think that Alexander's process was an obvious development to any mechanic skilled in the art. The problems solved had existed for years in the industry and had resisted the efforts of others skilled in the art.

We believe the record supports the District Judge's finding that the Alexander patent is valid. The District Judge

in upholding validity relied strongly upon the statutory presumption of validity accorded to a patent, like Alexander's which was regularly issued by the United States Patent Office. Patent Act of 1952, 35 U.S.C. § 282 (1964 ed.). Without disregarding the force of this presumption, we feel it important to note also that our review indicates to us that Alexander's patent meets the statutory tests of utility, novelty, and non-obviousness (Patent Act of 1952, 35 U.S.C. §§ 101, 102, 103 (1964 ed.); *United States* v. *Adams*, 383 U. S. 39 (1966)). We likewise feel that Alexander's patent meets the Constitutional standard of invention (U. S. Const. art. I, § 8, cl. 8).[2] That standard has been described as including "Innovation, advancement, and things which add to the sum of useful knowledge. . . ." *Graham* v. *John Deere Co.*, 383 U. S. 1, 6 (1966).

While, as we will point out, the District Judge ultimately found noninfringement of this patent, we feel he was correct in passing squarely on its validity. The issues raised by cross-filed pleadings are complex. Validity is squarely attacked by the original plaintiff. And the case has involved a lengthy trial of complex facts, most of them bearing directly upon this issue. We believe ample precedent supports his passing on validity in the decree. *Sinclair Co.* v. *Interchemical Corp.*, 325 U. S. 327 (1945); *Altvater* v. *Freeman*, 319 U. S. 359 (1943); *Sparton Corp.* v. *Evans Products Co.*, 293 F. 2d 699 (C. A. 6, 1961), *cert. denied*, 368 U. S. 967 (1962). This controversy has no resemblance to a fictitious suit designed to achieve an advisory opinion. Cf. *Cover* v. *Schwartz*, 133 F. 2d 541 (C. A. 2, 1943), *cert. denied*, 319 U. S. 748 (1943).

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[2] The federal patent power stems from a Constitutional provision which authorizes Congress "To promote the progress of . . . useful arts, by securing for limited times to . . . inventors the exclusive right to their . . . discoveries." U. S. Const. art. I, § 8, cl. 8.

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The District Judge's finding on the infringement question was: "(3) Said Alexander patent has not been infringed by the plaintiff, United States Plywood Corporation; . . ."

His reasoning follows:

"To the Court, the Alexander patent clearly contemplates the use of buffing belts that are non-abrasive or relatively non-abrasive and of non-metallic material. In fact, Alexander expresses a preference for the use of 'a surface treating belt of the type having a cork surface in his description of the process in his patent. I think this distinction is much more clearly set forth in the Alexander patent than in the Judd patent.

"The Court has determined that all of the evidence from which infringement by USP could be inferred involves its use of 8/0, 9/0 and 10/0 abrasives or sandpaper in treating wood surfaces. There is no proof that USP was using cork or non-metallic abrasives in any of the accused operations; hence, there is no foundation upon which an infringement could be based.

"Counsel for GPC said in his opening statement and repeated several times during the presentation of the case that if USP was sanding in its accused operations then there was no infringement. Since, to the Court, a reading of Alexander's description of his process and the claims of his patent contemplated the use of belts that are orginally designed as unabrasive or relatively non-abrasive, it would be illogical to conclude that his patent could be infringed by a belt designed and manufactured as an abrasive instrument but which became relatively non-abrasive because it was worn by use. This was referred to on several occasions during the progress of the trial and none of the witnesses for GPC were ever able to give the Court a satisfactory

formula by which it could be told when an 8/0, 9/0, or 10/0 belt ceased to be abrasive and became an infringer of the process in the Alexander patent."

We affirm this finding also.

General Plywood described its treating belt as "non-abrasive" or "relatively non-abrasive," "non-metallic," "flexible," and "yielding." None of these descriptive terms are appropriate to describe the 10/0 aluminum oxide grit sandpapers which United States Plywood employed.

We do not ignore General Plywood's argument that U. S. Plywood's results were really achieved by either the crushing of the grit on the "modified" belts, or the use of worn belts, or by the rapid filling of the belts with wood particles so as to terminate any substantial abrasive action. We have, however, noted in the record testimony which certainly constitutes substantial evidence that the 10/0 sanding employed by U. S. Plywood did remove significant amounts of stock. Observers testified to visible dust and the necessity of dust collectors on the "Micro-Fine" process where General Plywood contends such were not necessary in microsealing.

Infringement is generally a question of fact for the trial court. On review this court does not reverse a finding of non-infringement unless we can say it is "clearly erroneous." Rule 52(a) Fed. R. Civ. P.; *Toledo Scale Corp.* v. *Westinghouse Electric Corp.*, 351 F.2d (C.A. 6, 1965); *Maytag* v. *Murray Corp. of America*, 318 F.2d 79, 82 (C.A. 6, 1963).

We do not think that this record allows us to say that the District Judge's finding of noninfringement was "clearly erroneous." The trial judge heard extensive testimony for 40 trial days. Much of the evidence on infringement was conflicting. We think the view he took of the evidence was at least a "permissible" one and hence not clearly erroneous. *United States* v. *Yellow Cab Co.*, 338 342 (1949).

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Over and above what we have already said on the issue of infringement and at least somewhat persuasive to us is the fact that the record appears to demonstrate that what U. S. Plywood did was essentially to move a fine sanding operation which was already being used in the industry for finish polishing to an earlier point in the production process and apply it to wood in the white panels. If Alexander's patent should be broadly enough construed so as to apply to this operation, then it would be hard to ascribe to it the novelty, as opposed to prior-art, which is required for invention.

The District Judge found that General Plywood was not guilty of misuse of its patent. We agree. This record provides no indication that the patent in suit is being employed for leverage to sell either other patents or other unpatented goods and services. *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488 (1942); *Rocform Corp.* v. *Acitelli-Standard Concrete Wall, Inc.* —— F.2d —— (C.A. 6, 1966). Decided October 11, 1966.

U. S. Plywood alleges that the product "tied-in" was a resin sold by Reichhold Chemical, Inc. But no microseal licensee was required to purchase this resin; nor was any company refused a license under the Alexander patent because of failure to purchase this resin.

The District Judge also found that U. S. Plywood had not been guilty of breach of trust.

The fundamentals required for such an action, as stated in Restatment of the Law, Torts, § 757, are:

> "§ 757. *Liability for Disclosure or Use of Another's Trade Secret—General Principle.*
>
> "One who discloses or uses another's trade secret without a privilege to do so, is liable to the other if
>
> "(a) he discovered the secret by improper means, or
>
> "(b) his disclosure or use constitutes a breach of confidence reposed in him by the other in disclosing the secret to him, or

"(c) he learned the secret from a third person with notice of the facts that it was a secret and that the third person discovered it by improper means or that the third persons's disclosure of it was otherwise a breach of his duty to the other, or

"(d) he learned the secret with notice of the facts that it was a secret and that its disclosure was made to him by mistake."

What we have already said on the issue of infringement argues strongly for affirmance on this issue likewise. This record supports the District Judge's view that U. S. Plywood did not employ the process which General Plywood disclosed.

Additionally, we note that this record does not support a finding of breach of a confidential disclosure. This record discloses no effort at maintaining secrecy of the process in General Plywood's plant. Its employees were not even warned against disclosure. It is also apparent to us, as it was to the District Judge, that General Plywood actively sought licensing agreements with many firms in the plywood industry, including U. S. Plywood. In this process it necessarily made a variety of disclosures. In doing so it appears to us, as it did to the District Judge, that it neither made any effort at maintaining secrecy of its process nor at securing an agreement for confidentiality. *Hamilton Mfg. Co.* v. *Tubbs Mfg. Co.*, 216 Fed. 401 (W.D. Mich. 1908).

U. S. Plywood clearly sought to learn all it could about General Plywood's process. But General Plywood's revelations were the eager revelations of a prospective licensor to a prospective licensee. General Plywood asked for no agreement of confidentiality from U. S. Plywood—and received none. Having chosen to rely solely upon its patent rights for protection, and having failed to keep its process secret prior to grant of the patent, General Plywood is not

now in a position to sustain an action for breach of trust. *Huszar* v. *Cincinnati Chemical Works, Inc.*, 172 F. 2d 6 (C. A. 6, 1949).

At best this can only be described as a close and difficult case. The District Judge did not abuse his discretion in requiring each party to pay its own costs.

Affirmed.

Order

Nos. 16, 194-95

UNITED STATES COURT OF APPEALS,

FOR THE SIXTH CIRCUIT.

UNITED STATES PLYWOOD CORPORATION,

Plaintiff-Appellee,

vs.

GENERAL PLYWOOD CORPORATION,

Defendant-Appellant.

UNITED STATES PLYWOOD CORPORATION,

Plaintiff-Cross-Appellant,

vs.

GENERAL PLYWOOD CORPORATION,

Defendant-Cross-Appellee.

Before:

PHILLIPS, EDWARDS and CELEBREZZE, Circuit Judges.

Appendix B

On motion of defendant-appellant, General Plywood Corporation, entitled Petition for Rehearing and for Revision of Opinion, the opinion of the court announced December 28, 1966, is hereby revised by the substitution of the word "also" for the word "already" on page 3 line 18, and by the addition of a footnote referable to the date (October 10, 1956) on page 3 line 22 as follows:

> "1. Alexander had previously filed a 'first application" in relation to much the same process on February 20, 1956. This application ultimately was abandoned."

Otherwise defendant-appellant's petition for rehearing, all issues thereof having been carefully considered previously, is denied.

Feb. 8, 1967.

Entered by order of the Court,

CARL W. REUSS,
Clerk.

APPENDIX C

Wall Street Journal, March 11, 1964.

General Plywood Finishing Patent Upheld by Court

But Firm Loses Its Attempt To Establish U.S. Plywood Infringement of Process

Judge Awards No Damages

By a WALL STREET JOURNAL *Staff Reporter*

LOUISVILLE—General Plywood Corp. won a Federal court decision upholding its patent on a microseal plywood finishing process but lost its attempt to establish that U. S. Plywood Corp. had infringed the process patent.

Judge Roy M. Shelbourne ruled the patent, covering a nonabrasive method of rubbing an unfinished wood surface to produce a semigloss plywood finish, is valid but held that proof was inadequate to establish infringement by U.S. Plywood. No damages were awarded.

The drawn-out litigation over the patent began in January 1960 when U. S. Plywood, responding to threats by General Plywood to sue for infringement, filed suit asking for a declaration of rights on the patent's validity. General Plywood then filed a countercharge asking that the patent be judged valid and U. S. Plywood be declared guilty of patent infringement.

No Decision on Appeal

Henry M. Reed, General Plywood president, said, "We have won the battle of having our patent validated. Whether we appeal to determine the complex matter of infringement depends upon the advice of our attorney. But I feel sure that this will be done."

General Plywood has repeatedly said that the company's "real potential depends on its ability to sustain its microsealing process patent." Contingent on an upholding of the patent, the company had expected to recover damages, up to $12 million according to one unofficial estimate, for unauthorized use of the patent since it was granted March 25, 1958.

"If General Plywood should prevail, the company's whole picture will change radically," a spokesman commented last year. General Plywood has reported net losses in seven of the last eight fiscal years and hasn't paid a dividend since 1948. In the year ended Oct. 31, 1963, it lost $623,535 on sales of $28,533,560.

Yesterday on the American Stock Exchange, General Plywood stock closed at $10.675, off $3.75 on the day. U.S. Plywood shares, traded on the New York Stock Exchange, closed at $77, down 75 cents.

In ruling that proof of infringement by U.S. Plywood was inadequate, Judge Shelbourne said U.S. Plywood actually achieved its finish by sanding with a fine sandpaper, an abrasive material, in contrast to the General Plywood process, which uses cork. The judge said it was impossible to determine at what point sanding with the 8-0, 9-0 or 10-0 sandpapers used by U.S. Plywood changed from abrasive to nonabrasive as the sandpaper became worn and filled with wood particles.

"We Feel Vindicated"

S. W. Antoville, chairman of U.S. Plywood, said the court's decision didn't surprise his company. "We feel vindicated. It was our position that we were not in infringement of any patent. That's what the court ruled."

Under Judge Shelbourne's decision, General Plywood isn't deprived of any benefits that a valid patent gives to its owner. In his finding, the judge stated that "this case presents great difficulties to a judge who like myself has only the most elementary training in science and mathematics and has little experience with modern technological developments."

General Plywood has been granted patents on its process by a number of other countries, including Australia, Canada, Colombia, Finland, France, Great Britain, Israel, Japan, New Zealand and Spain.

General Plywood last year filed a still pending $150 million triple damage suit in New York against Minnesota Mining & Manufacturing Co., U.S. Plywood and Georgia-Pacific Corp. The suit charged the three companies with working together to monopolize manufacture and sale of coated abrasive products. It charged U.S. Plywood and Georgia-Pacific with monopolistic practices in the plywood products field. The suit claimed that Minnesota Mining fraudulently obtained details of the microseal rubbing process, acquired a patent on a similar process using fine sandpaper and improperly passed the process to the other two defendants.

Appendix C

Wall Street Journal, July 16, 1964.

General Plywood Corp., U.S. Plywood to Appeal Ruling in Patent Battle

Special to THE WALL STREET JOURNAL.

LOUISVILLE — U.S. Plywood Corp. and General Plywood Corp. filed notice in Federal court here that they will each appeal the decision in their patent dispute. The appeal will be made to the Sixth Circuit Court of Appeals, Cincinnati.

Judge Roy M. Shelbourne ruled last March that General Plywood's patent received March 25, 1958, on its microseal wood finishing process was valid, but that General Plywood failed to establish that U.S. Plywood had infringed the patent. U.S. Plywood is attacking the portion that declared that General Plywood has a valid patent. General Plywood is appealing the infringement section.

The drawn-out litigation began in January 1960 when U.S. Plywood filed suit asking for a declaration of rights on the patent's validity, after General Plywood had threatened to sue for infringement.

General Plywood filed a counter charge asking that the patent be judged valid and that U.S. Plywood be declared guilty of patent infringement. Judge Shelbourne heard the case without a jury during a forty-day trial.

Appendix C

General Plywood Corporation Quarterly Report,
July 31, 1964.

General Plywood Corporation and Subsidiaries

OPERATING DATA:

	Third Quarter (May, June, July, 1964)	Nine Months Ended July 31 1964	1963
Net Sales	$3,671,313	$15,017,807	$21,356,602
Net Profit or (Loss)	24,065	(92,474)	(485,872)

The profit of $24,065 for the Third Quarter was despite an operating loss of $157,904 by the Kochton Division.

The Kochton Division has been sold with the exception of one warehouse which is now being liquidated.

During June we had a costly nine day strike at our main plant which has been settled equitably and a two year contract is now in effect.

The disposal of the Kochton warehouses and continuous profitable operations by the plants made it possible for the company to recently obtain additional financing that provides the time to seek long term financing under more favorable terms and conditions than previously offered.

On March 10, 1964, Judge Roy M. Shelbourne of the U. S. District Court for the Western District of Kentucky filed a memorandum opinion and, on June 15, 1964, the Court rendered its official decision wherein it ruled General Plywood's Microseal patent was valid in all respects; but also ruled that in this particular case the proof was inadequate to establish infringement by U. S. Plywood Corporation.

It is the opinion of the company's attorneys that the Court's decision on the question of U. S. Plywood's infringement rests upon erroneous conclusions of both law and facts; and in view of this, on July 13, 1964, the company filed an appeal to this portion of the Court's decision.

Humphrey Reed Jr.
President

September 3, 1964

Appendix C

General Plywood Corporation Quarterly Report,
Jan. 31, 1966.

General Plywood Corporation and Subsidiaries

OPERATING DATA:

	First Quarter Ended January 31	
	1966	1965
Net Sales	$3,355,952	$2,608,770
Net Profit	162,246	71,105

Profits are after state and foreign taxes; however, since the Company has a loss carry-forward, there is no provision for Federal Income taxes.

The hearing before the United States Tariff Commission, held October 5, 1965, resulted in a tie vote. No decision has been announced as to whether or not a tie vote entitles the Company to qualify for Federal Adjustment Assistance under the provisions of the Trade Act of 1962.

Rather than continue to wait for a decision the Company has obtained a loan from commercial banks which materially reduces its borrowing costs. If at a later date a favorable ruling should result, then the Company can petition for financial assistance under the provisions of the Act.

On January 3, 1966, facilities for a 70% increase in hardwood paneling went into production at the New Albany, Indiana plant. By April 15, 1966 additional facilities at Antigo, Wisconsin will be in production.

The backlog of orders for this time of the year is substantial. If the economy stays at present levels, 1966 should be exceptionally good.

The patent litigation is finally drawing to a close. Although its Microseal patent (No. 2,827,935) was validated in Federal Court in March of 1964, the Company appealed the decision inasmuch as the court simultaneously ruled in effect, that although the patent was valid, that in this particular case infringement had not been established. Based on law and fact our attorneys believe that infringement was proved and therefore the decision was appealed.

Although no exact date has been set, the Federal Sixth Circuit Court of Appeals, Cincinnati, Ohio, has scheduled the hearing to be held in the month of April.

March 10, 1966

Hugh M. Reed Jr.
President

Appendix C

Wall Street Journal, Dec. 29, 1966.

Appeals Court Upholds Prefinishing Patent Of General Plywood

Decision Also Backs Lower Court Ruling That U.S. Plywood Has Not Infringed on the 'Patent

By a WALL STREET JOURNAL *Staff Reporter*

LOUISVILLE—A lower court decision, upholding the validity of a General Plywood Corp. patent on a process for prefinishing plywood, was approved by the U.S. Sixth Circuit Court of Appeals in Cincinnati, Henry M. Reed Jr., president, said.

At the same time, the appeals court also upheld the lower court's decision that U.S. Plywood Corp. had not infringed on the patent.

Gene C. Brewer, president of U.S. Plywood, said in New York he was "gratified" that the lower court's decision that U.S. Plywood hasn't infringed on General Plywood's patent had been upheld.

General Plywood closed on the American Stock Exchange yesterday at $8.75. It was the day's most active stock, declining $5.75. U.S. Plywood closed on the New York Stock Exchange at $42.875.

The Cincinnati court ruling resulted from long-standing litigation involving a charge by General Plywood that U.S. Plywood had infringed on its patent for the wood finishing process. In March 1964, the U.S. district court in Louisville validated the patent but held that it hadn't been infringed on by U.S. Plywood.

General Plywood has not decided if further legal action will be taken, Mr. Reed said.

Appendix C

Louisville Times, Jan. 23, 1967.

Patent Infringement Can Be Proved, General Plywood President Believes

By CHARLES E. TEEPLE
Louisville Times Business Editor

Henry M. Reed Jr., president of General Plywood Corp., believes that infringement of his company's Microseal patent can be proved.

"Ninety-five per cent of the people in the hardwood plywood business are using the Microseal process," Reed told stockholders of the Louisville firm at the annual meeting today.

The company's patent has been held to be valid in two court decisions, but both the U.S. District Court here and the Court of Appeals in Cincinnati decided that infringement of the patent by U.S. Plywood Corp. hadn't been proved.

"It may be wishful thinking, but in most cases the danger in an important patent is whether it can be proved to be valid," Reed said.

As to proving infringement of the patent, Reed said:

"I think it can be done."

Filed Petition for Rehearing

The General Plywood executive told the stockholders that the company filed a petition for rehearing with the U.S. Court of Appeals last week. He said the petition was based on "errors in the findings" in the court's decision, which was announced late in December.

"After we get a ruling on the petition we'll decide what course of action to follow from here on," Reed said.

"I'm old-fashioned enough to believe that if you're right and you fight you can win," Reed said. "As long as I'm here we won't stop. Inside, you know whether you're right or wrong. I know we're right."

The Microseal process produces a smooth, shiny surface on plywood through the application of heat and nonabrasive rubbing. Reed said after the meeting that only a small fraction of those using the process have been licensed to do so.

General Plywood also has a patent on a Super Microsealing process, which includes the use of a synthetic thermosetting resin. None of the litigation thus far has concerned the Super Microsealing process.

Business Termed Good

"Business today is better than it really should be, considering this time of year in building," Reed told the stockholders. He pointed out that housing starts had dropped to their lowest rate in 25 years.

He estimated after the meeting that General Plywood wouldn't have a loss for the first fiscal quarter, which ends Jan. 31.

"This is the season we normally would lose money or break even," Reed said. "I don't know whether we'll make any money in the first quarter, but we're certainly not going to lose any."

General Plywood had an unusually strong first quarter last year, earning $612,246 or 13 cents a share on sales of $3,355,952. For the full year ended Oct. 31, General Plywood had net income of $522,758 or 40 cents a share.

The company produces architectural doors and hardwood plywood paneling. It recently increased the capacity of its plants at New Albany and Antigo, Wis., and will begin production tomorrow in a new plant at South River, Ontario.

Kenneth E. Hull, vice-president for plywood sales, was added to the board of directors, raising the total to 10. He has been with the company more than three years.

The meeting was the first in the company's new headquarters building at 417 S. 32d. General Plywood moved into the building three weeks ago. The walls are paneled in 28 to 30 species of plywood, providing a showcase of the firm's products.

Louisville Courier Journal, Jan. 24, 1967.

Rehearing Asked

General Plywood Corp. Continues Patent Fight

By JACKSON SELLERS
Courier-Journal Staff Writer

Louisville's General Plywood Corp. will continue its patent-infringement fight against New York's U. S. Plywood Corp., according to General Plywood President Henry M. Reed Jr.

At an annual meeting of General Plywood stockholders yesterday, Reed said General Plywood attorneys have filed a petition for a rehearing before the Sixth Circuit Court of Appeals in Cincinnati.

The request for a rehearing is based on "certain errors" in the court's "disappointing" decision last month, he said.

In effect, the appeals court upheld a 1964 decision of the U. S. District Court in Louisville concerning a General Plywood wood-finishing process called Microseal.

Fighting Big Industries

The lower court ruled that General Plywood's patent was valid but that U.S. Plywood had not infringed on it. Both companies appealed to the higher court "where we came up with the same kind of split decision," Reed said yesterday.

General Plywood's process, patented in 1958, provides a smooth, glossy finish to wood by rubbing it with a non-abrasive belt and applying intense heat.

"A survey shows that 95 per cent of the people in the panel business are using the Microseal process today," Reed told stockholders attending the meeting.

He said later that only a small percentage are paying royalties to the Louisville company.

"We are fighting some pretty big industries," he added.

Admitting that the rehearing request was "only a technical step," Reed said the board of directors will meet later to choose "a new course of action."

Kenneth E. Hull, vice president of plywood sales, was added to the board of directors yesterday. He has been with the company three years and owns 393 shares of its stock.

The nine other directors were re-elected.

Reed also announced that the firm's $500,000 Canadian veneer mill at South River, Ontario, started part-time operation this week.

The meeting was in General Plywood's new headquarters, 417 S. 32nd, where the rooms and hallways are paneled with about 30 varieties of the company's products.

General Plywood stock was the fourth most-active stock on the American Stock Exchange yesterday. With 70,000 shares traded, the stock closed at $9.25 a share, up $1.12½ from the previous close.

Appendix C

Wall Street Journal, Feb. 15, 1967.

General Plywood Denied Rehearing on Patent Suit Against U.S. Plywood

By a WALL STREET JOURNAL *Staff Reporter*

CINCINNATI—A petition by General Plywood Corp. for a rehearing in its patent litigation with U.S. Plywood Corp. has been denied by the U.S. Circuit Court of Appeals here.

The petition, General Plywood said, had been based on "errors in the findings" in a decision handed down by the appeals court last December. That decision upheld an earlier Federal district court decision that General Plywood's Microseal patent is valid but that the company had failed to prove U.S. Plywood had infringed the patent.

The Microseal patent is for a wood-finishing process using heat and nonabrasive rubbing.

Appendix C

General Plywood Corporation Quarterly Report,
Jan. 31, 1967.

General Plywood Corporation and Subsidiary

OPERATING DATA:

	Three Months Ended January 31	
	1967	1966
Net Sales	$2,979,913	$3,355,952
Net Profit or (Loss)	(65,144)	162,246

Profit (1966) is after state and foreign income taxes; however, since the Company has a loss carry-forward there is no provision for Federal Income Taxes.

First quarter sales declined 11% compared to the same period of last year and a loss of $65,144 was incurred.

The first quarter (November, December and January) is historically the Company's slowest season. The 30% drastic reduction in residential building during 1966 was not felt much until November because of our previous order file and increased distribution due to new customers.

Despite the 11% reduction in sales volume, the first quarter loss was due mostly to "starting up" expenses of new and expanded plant facilities.

The Company's new plant at South River, Ontario, Canada started pilot operations in January and the expected results should be realized during the last half of this year.

Since the middle of December business has improved considerably and, with a lessening in the stringent credit restrictions experienced during the past year, there are indications that the building industry should improve.

On February 14, 1967 the Sixth Circuit Court of Appeals corrected several errors in its findings but denied the Company's petition for a rehearing of the decision it rendered December 28, 1966. This decision upheld the lower court which in effect ruled General Plywood's Microseal patent to be valid but that infringement had not been proven.

Insomuch as two courts have upheld the validity of the Microseal patent, the Company is now studying what future course of action to follow.

March 1, 1967

Hugh M. Reed Jr.
President

Appendix C

General Plywood Corporation Reply Brief (p. 63) in Court of Appeals (Appeal No. 16,195).

THE "FUNCTIONALITY" DEFENSE IS NOT APPLICABLE TO A METHOD PATENT

The contention that the claims of the patent are invalid because "functional" is wholly without merit because the patent in suit is a *method* patent,—one in which the invention resides solely in the performance of certain manipulative steps. Any patentable method is nothing more than a novel functional performance of some kind and hence can only be defined by statements of function. The language employed in the claims of the Alexander patent in suit are exactly parallel in character to those in the patent sustained by the Supreme Court in *Smith* v. *Snow*, 294 U. S. 1, 70 L. Ed. 721. The critical feature of the method defined in the patent there involved was the step of applying a current of heated air

> "of sufficient velocity to circulate, diffuse and maintain the air throughout the chamber at substantially the same temperature."

This language is equally subject to the attack leveled against the criticized language in the claims of the Alexander patent. Note that the claim in *Smith* v. *Snow* specified the performance of a step in such a way as to produce a specified result. Similarly, the claims of Alexander also specify the performance of certain steps in such a way as to produce a specified result.

USP, in support of its argument of functionality, relies upon decisions in cases involving *apparatus* patents where a very different rule applied. Thus, in the cited case of *General Electric Co.* v. *Wabash Appliance Co.*,

304 U. S. 364, the invention resided in an incandescent lamp. In *Halliburton* v. *Walker*, 329 U. S. 1, the invention resided in equipment for measuring the depth of well pipe. Moreover, since Halliburton, Congress has enacted 35 USC 112, the last sentence of which was enacted to overrule the doctrine of the *Wabash* and *Halliburton* cases. *Aluminum Company of America* v. *Sperry Products Inc.*, 285 F. 2d 911, 915, CA 6; *In re Fisher*, 314 F. 2d 817, 818; CCPA; *Bryan* v. *Sid W. Richardson, Inc.*, 254 F. 2d 191, 194, CA 5.

JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

(No. 16,194)

(Filed December 28, 1966)

Before: PHILLIPS, EDWARDS and CELEBREZZE, Circuit Judges.

Appeal from the United States District Court for the Western District of Kentucky

This Cause came on to be heard on the record from the United States District Court for the Western District of Kentucky and was argued by counsel.

On Consideration Whereof, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

It is further ordered that each party pay its own costs on appeal.

Entered by order of the Court.

/s/ Carl W. Reuss,
Clerk

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

No. 1367

UNITED STATES PLYWOOD CORPORATION,
Cross-Petitioner,
v.
GENERAL PLYWOOD CORPORATION,
Cross-Respondent,

ON CROSS PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR CROSS-RESPONDENT IN OPPOSITION

OPINIONS BELOW

The Opinion of the District Court[1] (R 41a) is reported at 230 F. Supp. 831. The Opinion of the Court of Appeals as amended by that Court following a petition for rehearing[2] is printed in the Appendix to the Petition in Docket

[1] The District Court decision is not printed in the subject Cross-Petition (Docket No. 1367), but appears at p. 33 of the petition in Docket No. 1351.

[2] The Petition for Rehearing is not printed in the subject Cross-Petition (Docket No. 1367), but appears at page 61 of the petition in Docket No. 1351.

No. 1351 at p. 46 and is reported at 370 F. 2d 500. That Opinion, as it appeared *prior* to that amendment, is printed at SA-8 in the subject Cross-Petition. The amending order is printed in the Cross-Petition at SA-24.

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

In addition to the relevant ones of the statutes and rules cited in the Cross-Petition, this case further involves the following:

66 Stat. 797, Title 35, U.S.C., "Chapter 10—Patentability of Inventions", Section 100, "Definitions".

> "When used in this title unless the context otherwise indicates * * *
>
> "(b) The term 'process' means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material."

66 Stat. 798, Title 35, U.S.C., "Chapter 11—Application for Patent", Section 112, "Specification".

> "The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.
>
> "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

"An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

66 Stat. 800, Title 35, U.S.C., "Section 120. Benefit of earlier filing date in the United States."

"An application for patent for an invention disclosed in the manner provided by the first paragraph of Section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

Title 37, Part 1, "Code of Federal Regulations, Section 1.2 Business to be transacted in writing."

"All business with the Patent Office should be transacted in writing * * *. The action of the Patent Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promises, stipulation, or understanding in relation to which there is disagreement or doubt."

STATEMENT OF THE CASE

The statement in the Cross-Petition omits facts which show that the stated Questions are not actually raised by the facts of the case and the stated Questions assume facts not supported by the record. Accordingly, the following amplification is necessary.

This action was initiated by a Complaint filed by United States Plywood Corporation asking for a declaratory judgment that the patent to George E. Alexander No. 2,827,935 (R 3056a), "and each and every claim thereof is invalid and void and that plaintiff's products and plaintiff's processes do not infringe said patent or any claim thereof" (R 22a). General Plywood Corporation, owner of the patent, counterclaimed for infringement and for breach of trust (R 26a).

There was extensive discovery over a period of years, including discovery by United States Plywood on the issues of the validity and enforceability of the patent. There was a lengthy (40 day) trial during which United States Plywood Corporation opened as declaratory judgment plaintiff and introduced evidence relating to at least twenty-eight different grounds on which the patent was alleged to be invalid or unenforceable. The District Court for the Western District of Kentucky adjudged that the patent was valid and enforceable but not infringed (R 50a). Both parties appealed (R 51a-2a). The issues, including the issue of validity, were fully briefed and argued, and the Court of Appeals for the Sixth Circuit affirmed.

General Plywood Corporation timely filed, on May 4, 1967, a Petition for a Writ of Certiorari, Docket No. 1351. Four days later United States Plywood Corporation filed the subject Cross-Petition, Docket No. 1367.

Background of The Invention

In the words of the Court of Appeals (Cross-Petition p. SA-9):

> "These appeals represent the culmination of a bitter controversy between a giant member of the plywood industry and a somewhat smaller competitor.
>
> "United States Plywood is the biggest of American plywood manufacturers. General Plywood is a substantial manufacturer of plywood doors based in Louisville, Kentucky. At the relevant times in this record the whole industry was adversely affected by the entrance into the United States market of Japanese plywood imports. And at the time also more plywood panels were being sold in factory finished form for interior use in housing and office building.
>
> "The industry prepared such panels for factory finishing (or for sale to the construction industry unfinished) by running the panels through a series of machine sanders (usually three). The first such machine employed a rough sandpaper of 1/0 grit; the next two were progressively finer. It appears that the finest in general use by the industry at this stage, prior to the event we deal with, was 4/0 grit.
>
> "This sanding produced plywood panels ready for finishing and termed in the industry 'wood in the white.' The surface while relatively smooth was porous, somewhat fibrous, absorptive and without gloss or sheen.

"Subsequently, to change all these surface characteristics, finishing required filler, stain, lacquer and polishing."

Thus the panels were sanded to cut the major roughness away, followed by a finishing process to coat and protect the surface. However, the sanded wood surface (even though it was "fine" sanded) was porous, and, moreover, was of variable porosity from spot to spot. As a result, the lacquer which was applied to create a finish coating, was not only absorbed into the wood but was unevenly absorbed so that the wood industry was required to apply sufficient lacquer (normally in the form of several coats) to build a uniform coating (R 553a; 1543a; 1575-82a; DX 2093, R 3568a, 1775a-6a; DX 2056, R. 3493a-4a, 1447a). Moreover, it was necessary in prior practice to sand lightly between coats of finishing materials to remove the "nibs" or partially loosened fibers which raise through the coating (R 346a-7a; DX 2056, R 3455a-6a, 1447a; 2085a, 96a-7a).

The patented "microseal" process is an additional process performed after all steps of the sanding process are completed and before the normal finishing process is started. It serves to render the sanded wood surface smoother and less porous and to semi-permanently bond the nibs to the surface by the momentary and uniform application of frictional heat and pressure so as to simplify, improve and reduce the cost of finishing the wood. The frictional rubbing of the wood surface heats a thin surface layer of the wood to a temperature at which it is softened, without heating the underlying wood, so that the pressure exerted by the frictional rubbing medium can compress the heated surface layer without compressing the underlying wood. This result is achieved while the wood panels

are moving continuously along a conveyor line at a feed rate in the order of 90 feet per minute. The rubbing treatment is confined to a stationary zone in the form of a narrow band extending entirely across the flat wood surface transversely to the direction of travel. As a result, the length of the treatment for any given spot on the surface is only a fraction of a second. This confines the frictionally generated heat to an exceedingly thin layer from which the heat is almost instantly dissipated when the wood passes out of contact with rubbing medium, thereby permitting the compressed wood to stabilize (R 1414a-1420a, 1430a-32a and PX 1052, 3056a-62a).

The frictional rubbing medium which frictionally heats and pressure smooths the wood must, in use, be *relatively non-abrasive,* to produce the frictional heating and to avoid cutting off or wearing away the compressed surface layer as it is formed, and it must be heat insulating so that it will not conduct away the frictional heat as fast as it is generated. According to representative claim 7 (R 3061a), it must also be flexible, endless and yielding, as used. There are no other essential requirements. In accordance with the Patent Statutes,* the specification sets forth "the best mode contemplated by the inventor for carrying out his invention". It recommends the use of a cork belt as the rubbing medium, but the rubbing medium does not have to be "cork", as the specification clearly teaches (R 3058a), and none of the claims is so limited.

Similarly, in accordance with the statutory requirements, the patent illustrates and describes (R 3056a-60a) a suitable *machine* which can be used in practicing the process.

---

*35 U.S.C. 112.

The illustrated machine is known as a "wide belt" machine having an adequate range of adjustments to permit the operating conditions to be correlated as taught in the patent to achieve the beneficial results which flow from the practice of the process.

The addition of the microseal process intermediate the commercial wood sanding and finishing operations entails an additional procedure and an additional investment in equipment (R 1200a; DX 2056, R 3468a, 3485a and 3487a, 1447a). Despite that fact, the resulting improvement in the final appearance and saleability of the finished wood products and the reduction in the total cost of manufacture have been such as to lead to widespread commercial adoption of the process. As the Court of Appeals correctly held:[4]

> "The Alexander process was both new in the industry and of great commercial value".

The process was practiced by General Plywood and the improvement in its products saved General Plywood's business when it was threatened by a business slump and severe import competition (R 1238a, 1895a; 2077a-8a). A number of manufacturers practiced the process under license from General Plywood (R 3611a; 2032a-34a). The process was industry-wide in its impact (DX 2056, R 3518a and 3520a-1a, 1447a), and was deemed "revolutionary" by the manufacturer of the "Timesavers" wide belt machines used by both parties (U.S. Plywood's witness Pendergast, DX 2022, R 3358a, 1219a). A Vice President of Carborundum Company, one of the largest suppliers of coated abra-

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[4] Cross-Petition, p. SA-18.

sives to the woodworking industry, similarly characterized the process (PX Carbo 89, R 2384a, 1184a, DX 2170, R 3661a-2a, 2188a) and his top technical expert testified that it had "revolutionized the plywood and door industry in the United States" and that the process had been of "great help in fighting off the extremely serious threat of imported plywood without which the situation for U.S. manufacturers would be many times worse than it is" (R 1888a-9a).

One of the "novel features" of the process which had led to its widespread adoption was characterized by the Court of Appeals as follows (Appendix to Cross-Petition p. SA-18):

> "The employment of relatively high speeds and pressures correlated to achieve the impact of heat just below scorching helped to achieve a surface smoothness, density and gloss in one machine operation which made subsequent finishing operations substantially simpler and less expensive".

The noted reduction in cost of finishing operations resulted from the fact that the process eliminated the need for at least one finishing coat of lacquer and related treatments (DX 2056, R 3487a and 3493a-4a, 1447a; DX 2028, R 3365a-6a, 1245a; 1927a-34a; DX 2093, R 3568a, 1576a; 1575a-82a).

The Judd Patent is Not Prior Art

United States Plywood Corporation asks this Court to review, on the merits, the concurring determinations of the Courts below that the Alexander patent in suit is valid. It frames its request as Questions designed to portray allegedly important, fundamental and appealing issues of law. The pretext that the Questions 2 and 3 are raised by the facts of this case is based largely on the contention that the Judd patent 2,765,598 (R 3067a) must be treated as "prior art" notwithstanding the concession that it has a later effective filing date than the Alexander patent in suit,[5] and the further concession that "petitioner does not claim on this petition that Judd was the prior inventor of the process claimed in the Alexander patent" (Cross-Petition footnote 5, page 8). According to the Cross-Petitioner, the Judd patent must be treated as prior art because Alexander is estopped to assert the truth or to enjoy the benefit of the fact that he is the first and only true inventor of the microseal process. As will be shown, the Cross-Petitioner is asking this Court to create a new species of estoppel in order to crown with success an attempt by Judd and 3M to defraud, which has been thwarted by both Courts below. For this purpose some reference to the historical background is necessary.

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[5] The Alexander patent issued from an application filed October 10, 1965. United States Plywood agrees (Cross-Petition, p. 21) that that application was a "continuation" of the prior application of February 20, 1965 (PX 1053, R 2934a-302a) and that the Judd application "had a later effective filing date" (Cross-Petition, p. 9, footnote 7). This concession that Judd has a later effective filing date is required by the provisions of 35 U.S.C. 120.

Historical Background

In the spring of 1954, General Plywood's George Alexander, who had been assigned the job of trying to develop a new and better way to treat the surface of wood, conceived, tested and disclosed to his co-workers the process which was later named the "microseal" process (R 1914a-6a, 2001a-2a, 2115a, 2146a-7a). The development of the process proceeded through consideration of the use of series of buffs operated on a band of contact across the width of an advancing panel (R 1980a-2a, 2118a), to the concept of using a suitable belt, such as a cork belt, on a wide belt machine under proper conditions. On April 7, 1955, Alexander fully divulged the conceived process, in confidence, to the person who could best be expected to supply Alexander with cork belt: Oliver Judd, the sales representative for General Plywood's supplier of coated abrasive products, Minnesota Mining and Manufacturing Company ("3 M") (R 78a-90a, 135a-7a, 1918a, 2119a, 2126a-7a; and see the opinion of the District Court at the bottom of R 44a).

Despite Judd's agreement to supply such a belt and repeated requests for that belt, it was not forthcoming, apparently because the belt material was not available in widths greater than 24 inches, as required for the General Plywood machines (R 2126a-7a). Finally, on May 18, 1955, under the pressure brought by General Plywood, Judd offered to run a test for Alexander on a 24" wide-belt machine which was owned by Reynolds Metals Company in the same city (Louisville) (R 84a, 2127a). As the trial court accurately stated "Alexander accepted Judd's offer in reliance upon the fact that, since GPC was a customer

of Judd and his employer, Judd was required to keep in confidence the information disclosed to him by Alexander and obtained in the experiment" (R 45a).

The test was run, General Plywood proceeded to fully explore and develop the invention, adapted it for its own commercial production and filed, on February 20, 1956, the first Alexander patent application (Serial No. 566,690), on the microseal process (PX 1053, R 2934a-42a and R 3057a, Col. 1, line 19). Subsequently, after a dispute over the terms of a proposed joint exploitation of the invention, 3M filed, on March 27, 1956, a patent application in Judd's name directed to the microseal process (R 3067a). The Judd patent issued on October 9, 1956 (R 3066a-3067a), in near record time.

The primary defect of the 3M patent was statutory: Judd "did not himself invent the subject matter sought to be patented."[*]

The second defect of the 3M patent was that Judd had failed to disclose essential features of the process in the patent (R 46a).

After full examination of both Alexander and Judd by deposition (R 114a) during which Judd presented a wholly incredible story of prior independent conception of the invention, the conflict with 3M was ultimately resolved, with 3M dedicating the Judd patent (DX 2002, R 3337a-8a; 157a).

Despite this background, United States Plywood, while never pleading or noticing the Judd patent as "prior art"

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[*] 35 U.S.C. 102 (f). The invention had been disclosed to Judd by Alexander and, as the Court held, Judd was bound to hold it in confidence (R 45a).

claimed (R 34a) that Judd was "prior inventor" of the process. Extensive depositions were taken,[7] which, coupled with the testimony of both Judd and Alexander at the trial (R 71a-195a; 2110a-71a) so thoroughly established that Judd's claim of inventionship was pure fabrication that the defense was not pressed before the Court of Appeals and is explicitly (Cross-Petition, p. 8, footnote 5) *not* advanced to this Court.

The Facts Bearing on the Alleged Estoppel

While it is not claimed by the Cross-Petitioner, United States Plywood, that the Judd patent is "prior" art in fact, the claim is made that the failure of Alexander to provoke an interference with Judd in the Patent Office creates as estoppel against Alexander which makes it necessary to treat the later filed, fraudulent and inaccurate disclosure by Judd of Alexander's invention as though it were part of the prior art. Neither of the Courts below found any such estoppel.

The file history of the Alexander application, Serial No. 615,127,[8] shows that in this case the Patent Office allowed the Alexander patent without ever giving notice under 35

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[7] Including, *inter alia*, Judd, Vols. I through IV, filed Dec. 4, 1962 (R 14a), Mohr, Vols. 1 and II filed Dec. 4, 1962 (R 13a), Zoeller, two Vols., filed Dec. 4, 1962 (R 13a), Horrar, filed Dec. 4, 1962 (R 14a), Baker, two Vols., filed Dec. 5, 1962 (R 14a).

[8] At the trial certified copies of the complete file histories of the two Alexander applications were offered and received in evidence. The earlier application, Serial No. 566,690, filed February 20, 1956 is PX Exhibit 1053, and the second application, Serial No. 615,127 filed October 19, 1956 is PX Exhibit 1054. The portion of the trial transcript showing

(Continued on next page)

U.S.C. 135 of the existence of any interference. Nor did the Patent Office require that Alexander copy claims from the Judd patent or contest an interference with Judd. This was no oversight because the file history shows that the matter was discussed at a conference between the Patent Examiner and the attorney for Alexander (R 3052a-53a). At that time Alexander's attorney expressed the view that no interference should be declared because the claims presented by Alexander differed materially from those of Judd. Apparently, that view was acquiesced in by the Examiner because he thereupon allowed the Alexander Patent. The Patent Office never suggested that the Judd patent was prior art, undoubtedly because Alexander was presumptively the first inventor on the basis of his earlier filing date.

There was no basis for an interference because Judd's claims failed to define essential features of the microseal process. They did not specify the step of compressing or densifying the wood surface and they erroneously specified the use of light pressure (R 3069a).

The claims which now appear in the Alexander patent were originally allowed in the earlier Alexander applica-

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(Continued from preceding page)

the receipt of these exhibits in evidence is printed in the Appendix hereto at A-8 and A-9. Portions of the early application PX Exhibit 1053 were printed in the joint Appendix to the briefs in the Court below (R 2934a-3020a, 3763a and 3861a-5a) and additional portions are printed in the Appendix hereto at A-1 to A-3. Portions of the second Alexander application PX Exhibit 1054 were printed in the joint Appendix to the briefs in the Court below (R 3020a-54a, R 3752a-54a and 3865a-7a) and additional portions are printed in the Appendix hereto at A-4 to A-7.

tion, Serial No. 566,690, filed February 20, 1956 (PX 1053, Appendix hereto A1-3, R 3015a-20a). They were transferred with minor amendments to the second Alexander application and claim 7 was allowed. Thus the possibility of further litigation between the *present parties* over claim 7 of the patent in suit was never rejected in that application.[9]

REASONS FOR REFUSING THE WRIT

The first Question presented in the Cross-Petition relates to the propriety of adjudging a patent valid when the patent is held not infringed. The question as stated fails to mention that the judgment on validity was rendered on a declaratory judgment complaint filed by cross-petitioner and it is based on the erroneous assumption that in view of the holding of non-infringement, there is no longer a controversy between the parties. The controversy continues to rage. As will be shown, the Courts have generally held that such a judgment may be entered under the circumstances of this case, and there is no conflict between the Circuits, as alleged in the Cross-Petition.

It can hardly be said that there is no controversy between the parties when Cross-Petitioner is also asking (Questions 2 and 3) that this Court review the holding of

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[9] The history of representative claim 7 of the Alexander patent may be traced as follows. It was originally inserted in the early Alexander application as claim 20 on May 20, 1957 (R 2969a-70a and A1-3). It was initially rejected, but eventually held patentable by the decision of the Board of Appeals (R 3015a-20a) rendered on Sept. 30, 1957 in the early application. Thereafter, on July 15, 1957, it was transferred to the later Alexander application as claim 15 (A4-5). It was never rejected in the second application although amended slightly as to form (A-6).

validity on its merits and Petitioner (in Docket No. 1351) is asking this Court to review and reverse the holding of non-infringement. In addition, because of the clear possibility of further litigation between the *present parties* over other variants of the accused process, Cross-Petitioner, United States Plywood, must not be left free to relitigate issues which have been exhaustively litigated and ruled upon by the Courts below.

There is no important public interest in the question other than the public interest in seeing an end to litigation after the parties have had their day in Court, and that interest can only be advanced by allowing the judgment of validity to stand. Finally, the basis of the question disappears if in response to the Petition in Docket 1351, this Court reviews this case and holds that the patent in suit is infringed by Cross-Petitioner.

Questions 2 and 3 in the Cross-Petition ask for a review, on the merits, of the findings of the Court's below that the patent is valid. As to both questions, the Cross-Petition alleges there is a conflict among the Circuits. The alleged conflicts do not exist. In addition, the Questions posed are based on assumptions not supported by the facts of the case. Questions 2 and 3 do not merit review by this Court on this record.

ARGUMENT

Question 1

The Judgment on Validity was Demanded by United States Plywood and was Exhaustively Litigated

United States Plywood asks this Court to strike the findings by both Courts below that the patent in suit is valid because, by reason of the holding of no infringement, there is no "actual controversy".

There was, is and will apparently continue to be an "actual controversy", and the facts of the case do not raise the question presented.

United States Plywood instituted this litigation by filing a declaratory judgment action demanding a judgment that the Alexander patent "and each and every claim thereof is invalid and void and that plaintiff's products and plaintiff's processes do not infringe said patent or any claim thereof" (R 23a). In the following years, United States Plywood undertook extremely extensive discovery proceedings pertaining to the validity and enforceability of the patent, including extensive and repeated Interrogatories (See, e.g., PX 1060-1064, R 3109a-3158a), and further including extensive depositions[10] at locations from Tennessee to Northern Minnesota and from New York to Los Angeles. It aggressively pursued every conceivable ground for challenging the validity of the patent. United States Plywood opened at the trial, as declaratory judgment plaintiff, and

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[10] The depositions instituted by United States Plywood extended for a total of approximately 70 days of actual deposition time and the transcripts thereof total over 8,500 pages.

the presentation of its direct case alone took over 21 trial days (R 1185a-6a). Over 28 separate, direct challenges to the validity of the patent were presented and argued by United States Plywood and challenges to the validity of the patent were extensively briefed to the trial court. All of the evidence, including evidence submitted by General Plywood in refutation of the presented challenges, was before the District Court, and that Court determined the patent to be valid.

United States Plywood again challenged the validity of the patent before the Court of Appeals for the Sixth Circuit, fully briefing and arguing the matter to the Court. The patent was again held to be valid.

Having demanded a judgment on the issue of validity, having exhaustively litigated that issue, thereby imposing an extraordinary burden on cross-respondent,[11] it now complains to this Court that the issue should not have been determined because there is no controversy.

There is a Continuing "Actual Controversy"

The controversy between parties on the issues of infringement has raged since prior to 1959. As is illustrated in DX 2083A and B (R 3559a-60a) United States Plywood has, at its several plants, frequently modified its rubbing speeds and pressures as well as the type of rubbing medium used. Accordingly, the likelihood existed at the trial that United States Plywood might well have practiced the pro-

[11] Both Courts below refused to allow recovery of costs (Cross-Petition SA-24 and SA-36). This can only be because of the massive but unsuccessful attack on the validity of the patent.

cess subsequent to the filing of the counterclaim, or practice it in the future, in a specific manner not before the Court, and the likelihood was expressly contemplated by the "Court Approved Stipulation Relating to the Scope of Adjudication" (R 38a-39a).

United States Plywood, itself, argues that it should be free to relitigate validity if subsequently sued on account of its use of variants of the processes accused in this case (Cross-Petition, p. 18). This argument is a tacit admission that United States Plywood has or expects to use processes other than those litigated in this case and fears the holding of non-infringement it has obtained may not be applicable.[12] In the context of the whole situation, this is more than enough "controversy" to support a declaratory judgment action and, therefore, sufficient to support the judgment rendered on validity.

It will further be observed that the actual controversy on the question of infringement, even by the specific United States Plywood operations which were litigated, continued through the Court of Appeals and yet continues today in the Petition, in Docket No. 1351.

The Alleged Conflict Among the Circuits Does Not Exist

With regard to Question 1, United States Plywood argues that this Court has, under the constitutional jurisdictional limitation, required the lower Court to delete an

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[12] Note that United States Plywood admittedly purchased cork belts at its Seattle plant for testing (R 2205a-6a) and it is clear from the opinions below that if such belts are used commercially in the practice of the process the Courts below would find infringement.

adjudication of validity in the absence of infringement, citing *Electrical Fittings Corporation v. Thomas and Betts Co.*, 307 U.S. 241 (1938) and further quotes this Court as having said "To hold a patent valid if it is not infringed, is to decide a hypothetical case", citing *Altvater v. Freeman*, 319 U.S. 359, 363 (1943). It then seeks to establish that "principle" as a basis of fundamental conflict between the "First, Second and Ninth" Circuits, which have allegedly followed it, and the "Sixth" Circuit, which allegedly has "passed squarely on this point in direct conflict with these holdings".

In its eagerness to rid itself of the fruits of its own demands in its declaratory judgment complaint, United States Plywood finds conflict where no conflict exists.

The cases relied upon have no bearing here since the controversy which prompted the declaratory judgment complaint in this case continues to rage. The situation is, therefore, quite unlike that in *Electrical Fittings*, where the patentee *accepted* the trial-court adjudication of non-infringement so that there was no longer a controversy in fact.[13]

The alleged "principle" quoted from the *Alvater* case was *not* the "principle" of that case but was a statement characterizing *Electrical Fittings* (and *Cover v. Schwartz*). But in *Altvater*, this Court explicitly held that the quoted statement did not apply, saying:

> "but the situation in the present case is quite different. We have here not only bill and answer but a

[13] Similarly, in *Cover v. Schwartz*, cited in the Cross-Petition, the parties *agreed* that there was no infringement so that, again, there was, by agreement, no controversy.

counterclaim. Though the decision of non-infringement disposes of the bill and answer, it does not dispose of the counterclaim which raises the question of validity." (319 U.S. at 363).

Thus, whether or not the alleged "principle" exists, it is not applicable to the facts of the case, and no conflict among the Circuits on *that* "principle" could influence the Court to grant the Cross-Petition in this case.

The Sixth Circuit is alleged to have passed squarely on "this point" directly in conflict with "these holdings." The fact is that the Sixth Circuit clearly follows a discretionary rule,[14] and has refused, where the circumstances rendered it appropriate, to consider the question of validity where no infringement has been found,[15] just as it has ruled on validity even though there was no infringement,[16] where circumstances rendered that course wise.

Similarly, the "First, Second and Ninth" Circuits have, contrary to the absolute position the Cross-Petition seeks

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[14] This Court, in *Sinclair and Carroll Co. v. Interchemical Corp.*, 325 U.S. 327, 330 advised that it "will usually be the better practice" to inquire "fully into the validity of the patent."

[15] See, e.g., *Hazeltine Corp. v. Crosley Corp.*, 130 F. 2d 344, *American Seating Co. v. Ideal Seating Co.*, 124 F. 2d 70.

[16] Cases cited in the Cross-Petition, footnote 17, p. 13.

to establish, also followed a rule of discretion.[17] This is consistent with the accepted practice of deeming it to be within the sound discretion of the courts whether to accept jurisdiction of a declaratory judgment action (such as this is) at all.

There is no such conflict as the Cross-Petition alleges, and none requiring the intervention of this Court.

Perhaps the matter is best summarized by quoting the comments of the Court of Appeals in the present case:

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[17] The *First* Circuit *Hap Corp* case cited (p. 12, footnote 16) in the Cross-Petition for the contrary proposition explicitly states that whether the Court of Appeals should pass on validity after finding non-infringement "was perhaps a question of discretion, but one which we resolved in the negative". The *Second* Circuit *Addressograph* case relied on by United States Plywood is irrelevant since both the District Court and the Court of Appeals held the patent *invalid;* it discussed a prior case in which there was effective consent by the patent owner that there should be no ruling on infringement so that there was no controversy by agreement of the parties. The same situation existed in *Cover v. Schwartz* —there was no controversy *in fact.* The same Circuit later announced the noted rule of discretion in *Harris v. Air King Products Co.,* 193 F. 2d 158. The *Ninth* Circuit apparently also follows a rule of discretion since it does decree patents valid though not infringed where the circumstances render that action appropriate. See e.g., *Ernst v. Clemens et al.,* 185 F. 2d 231, in which the trial court's judgment that a claim was valid but not infringed was affirmed. In fact, in a recent (1965) decision on this question in *Canadian Ingersoll-Rand Co. v. Peterson Products,* 350 F. 2d 18, 26, that Court concluded that the existence of a counterclaim for a declaratory judgment on the issue of validity required a ruling on the question of validity even though no infringement was asserted as to those claims, and it determined those claims to be valid (reversing the trial court). Even more recently it refused to entertain an appeal from a judgment of noninfringement because the lower court had not ruled on validity in response to a counterclaim for declaratory judgment of invalidity. *Illinois Tool Works, Inc. v. Brunsing et al.,* April 28, 1967, 153 USPQ 771.

"While, as we will point out, the District Judge ultimately found non-infringement of this patent, we feel he was correct in passing squarely on its validity. The issues raised by cross-filed pleadings are complex. Validity is squarely attacked by the original plaintiff. And the case has involved a lengthy trial of complex facts, most of them bearing directly upon this issue. We believe ample precedent supports his passing on validity in the decree. *Sinclair Co. v. Interchemical Corp.*, 325 U.S. 327 (1945); *Altvater v. Freeman*, 319 U.S. 359 (1943); *Sparton Corp. v. Evans Products Co.*, 293 F. 2d 699 (C.A. 6, 1961), cert. denied, 368 U.S. 967 (1962). This controversy has no resemblence to a fictitious suit designed to achieve an advisory opinion. Cf. *Cover v. Schwartz*, 133 F. 2d 541 (C.A. 2, 1943), cert. denied, 319 U.S. 748 (1943)." (Cross-Petition, Appendix B, SA-19.)

Public Interest Does Not Require That The Judgment of Validity be Vacated

Cross-Petitioner sheds crocodile tears for the public and its competitors in its endeavor to escape the results of its day in court on the issue of validity. Neither the public nor any third party is bound by the judgment of validity. It binds only Cross-Petitioner. If that judgment is vacated without consideration on the merits of the question of validity, Cross-Petitioner can begin to use the cork belt recommended in the patent and if sued for infringement, could relitigate all of the grounds on which it attacked validity in the Courts below. It has had its very long "day" in court on these issues and should be bound by the resulting judgment.

Cross-Petitioner suggests that validity should not be determined independently of scope, but virtually all of the

grounds of attack on the validity of this patent have no bearing on the question of scope. For example, the contention that Judd was the inventor of the miscroseal process was exhaustively litigated in the District Court. Should United States Plywood have the right to relitigate that question? The public interest in having an end to litigation dictates a negative answer. Moreover, the judgment of validity does not preclude consideration of the scope of the patent in this or any future litigation between these parties.

The argument in the Cross-Petition that the public interest requires an invalid patent to be declared invalid but requires that a valid patent not be declared valid has no bearing on the posed question of the jurisdiction of a court to adjudge validity. Moreover, the argument is wholly invalid unless our entire patent system is contrary to public interest, because in the light of the Constitutional purpose and objective of the patent law, there is just as much public interest in judicial declaration of the validity of worthy patents as there is in the declaration of invalidity of those which are unworthy. In neither case is the judgment binding on third parties, but in each case, it is a beneficial guide to interested parties who must assess the patent.[18]

The argument that the judgment of validity has endowed General Plywood with a weapon which will be used "*in terrorem*", to deter competition, is emotional nonsense,

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[18] See the recent decision of the Court of Claims in *Technograph Printed Circuits, Ltd. v. United States, et al.*, 153 USPQ 298 (Feb. 17, 1967), which contains a full discussion of authorities on the effect of judgments in patent actions upon third parties.

totally unsupported by the record. It is possible that some malefactors are terrorized at the prospect of receiving their just reward, but it is far fetched to believe that a corporation can be terrorized by the prospect of paying reasonable compensation for its unauthorized appropriation of a validity patented and valuable invention and there is no reason for this Court to coddle such an infringer, if any exists. Further, there is evidence that General Plywood has sought to and has licensed the patent at a reasonable royalty (2032a-2033a, 3611a-12a, DX 2147A, R 3611a-12a, 2018a-19a, 2024a, 2028a-9a, DX 2056, Admission 41 by USP, R 3472a and 1447a), and none that any prospective licensee has been refused. Finally, the sole purported basis for the use of these scare tactics is a collection of newspaper clipping, etc., which, apart from failing to support the argument, are not exhibits, are wholly extra-legal, and are improperly presented to the Court.

Question 2

Question 2, as presented in the Cross-Petition, is as follows:

> "2. Has the Court of Appeals for the Sixth Circuit misconstrued the standard of patentability set in this Court's recent decision in *Graham v. John Deere Co.* (383 U.S. 1) in holding valid a patent on a wood buffing process which simply uses a prior-art polishing belt in a prior art machine to glossify a wood surface?"

It must first be observed that the question reflects the same irrelevant argument which led the Courts below to err on the question of infringement, namely that there is nothing patentable in the apparatus used to practice the process.

Whether the preferred (or any other) machine useable in the practice of the process is old or new and whether the preferred (or any other) rubbing belt is old or new is not determinative of the patentability of the *process*, for as this Court has said in *Cochrane v. Deener*, 94 U.S. 780 (1876):

> "The machinery pointed out as suitable to perform the process may or may not be new or patentable; whilst the process itself may be altogether new, and produce an entirely new result. The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence."[19]

The pervasive and persistent effort by United States Plywood Corporation to becloud that principle clearly contributed to the erroneous conclusion of the Courts below on the issue of infringement, and is continued in the subject Cross-Petition. The patent in suit is *not* a patent on a machine, and is *not* a patent on a "cork belt", a "10/0 belt" or any other kind of belt. It is a patent on a process —a process which is new and useful and which is being practiced by the accused infringer. Alexander took old tools and used them to perform a process which the world had never conceived to produce highly advantageous results which the world had never seen.

Secondly, the Question, whether interesting or not, is not raised by the facts of the present case, because the supporting argument is founded on the assumption that

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[19] And see 35 U.S.C. 100 (b) "The term 'process' means process, art or method and includes a new use of a known process, machine, manufacture, composition of matter, or material."

the Judd patent is "prior art". As pointed out at page 10 hereof, Cross-Petitioner, United States Plywood, concedes that the Judd patent is not in fact prior art and does not contend that Judd is a prior inventor of the process claimed by Alexander. Nonetheless, it argues that the Judd patent must be treated as prior art because Alexander is estopped to benefit from the admitted facts by reason of his failure to contest an interference with the Judd patent.

The complete answer to this assertion is that there is no obligation on the part of any applicant to provoke an interference with a patent. While the Statute, 35 U.S.C. 135, directs the Commissioner, when in his "opinion" an application for patent would interfere with an unexpired patent, to "give notice thereof" to the applicant and patentee, whereupon the issue of priority shall be determined by a board of interference examiners, the giving of such notice is obviously discretionary since the statute conditions the requirement upon the Commissioner being of the "opinion" that the application and patent "interfere." As this Court has said in *Ewing v. United States, ex rel, Fowler Car Co.*, 244 U.S. 1, 1917, of the similarly worded statute, RS 4904, Comp. Stat. 1913, 9449, the statute gives the Commissioner of Patents discretion to declare or not declare an interference and when he fails to do so, "there is no defeat of ultimate rights."

As the file history shows (See pages 13 and 14 hereof), the Patent Office allowed the Alexander patent without giving notice under 35 U.S.C. 135 of the existence of any interference. This decision by the Patent Office was justified by the difference between Alexander claims and those of Judd;

but, in any event, it leaves the "ultimate rights" of the parties undisturbed, and there is no estoppel.

The remaining "prior use" referred to in the Cross-Petition was of a cork belt on a wide belt machine to polish aluminum. This was not a "prior use" within the meaning of 35 U.S.C. 102 because it was a single experiment which was a complete failure, never revived (DX 2134, R 3581a, 2589a-90a, 1874a). Moreover, the microseal process cannot be practiced on metal because metals are not porous and cannot be densified by frictional heat and pressure (R. 1691a).

The fact is that the Court of Appeals did not "essentially disregard the test of obviousness" set forth by this Court in *Graham*. Conversely, it explicitly found the invention to be unobvious under the standard set forth in that decision (Appendix of Cross-Petition, SA-19).

One further comment is required. The allegations (p. 23) that since "the Judd patent has been dedicated", the "public is fully entitled to use it" is outrageous in view of the facts recounted on page 11 and 12 hereof. All that 3M did was dedicate to the public whatever rights it might have or appear to have by reason of its ownership of the Judd patent. It could not and did not purport to dedicate any property of Alexander and General Plywood. It is worth noting in this context that the settlement agreement between 3M and General Plywood by which 3M agreed to dedicate the Judd patent (DX 2050, R 3388a, 1266a) expressly reserved the right of General Plywood to sue for infringement of the Alexander patent 2,827,935 concerns which used belts purchased from 3M.

Question 2, as presented, is based on a fallacious assumption of law, and does not merit consideration by this Court in this case.

Question 3

Question 3, as presented in the Cross-Petition, reads as follows:

> "3. Has 35 U.S.C. 112 abrogated the rule of this Court expressed in *Halliburton Oil Well Cementing Co. v. Walker,* 329 U.S. 1 (1946), that an invention may not be validly claimed 'in terms of what it will do rather than in terms of its own physical characteristics?'"

This Question, again, represents an effort to lead this Court to indulge in an intellectual exercise. The Question, whether challenging or not, is not raised by the facts of the case. In the first place, the doctrine of the Halliburton case has no application to a process claim because a process is "an act or series of acts[20] and has no "physical characteristics" that can be defined. Secondly, the entire argument of Petitioner is based on the erroneous assumption that the Judd patent is prior art; it is asserted that the claim is functional at the "point of novelty" *over the Judd patent.* The entire argument is based on the assumption that some unsupportable and irrational extension of the doctrine of file wrapper estoppel renders the Judd patent "prior art". It is not, for the reasons stated in connection with Question 2, and the Question falls with the assumption.

On the merits, it should be observed that the process claims in suit are not so broad as to cover all ways of achieving the desired result, i.e., a densified and nib bonded surface. They specify that this result be achieved by

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[20] *Cochrane v. Deener,* 94 U.S. 780, 788.

frictional rubbing pressure carried out in a particularly defined manner. They spell out the exact nature of the process by which the desired result is achieved and thus, avoid the basis on which this Court criticized the apparatus claims in the Halliburton case. Moreover, they clearly comply with the provisions of 35 U.S.C. 112 that:

> "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

The remaining arguments presented by United States Plywood relate primarily to the meaning of the term "relatively nonabrasive" and an argument as to an alleged "no man's land", which can *only* exist if the user intentionally starts out to microseal, using *microsealing* (not sanding) conditions, with a rubbing medium which is slightly too abrasive for microsealing at the start of the operation. These arguments relate to "definiteness" and infringement, have no relevancy to the issue stated by the Question, and require no further discussion.

Question 3 in the Cross-Petition does not merit consideration by this Court.

CONCLUSION

For the reasons stated above, the Cross-Petition should be denied.

Respectfully submitted,

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APPENDIX

A-1

PX Exhibit 1053

File 3023

IN THE UNITED STATES PATENT OFFICE

Applicant: GEORGE E. ALEXANDER Division 67
Serial No: 566,690
Filed February 20, 1956 803 Ky. Home Life Bldg.
For: METHOD AND APPARATUS FOR TREATING WOOD SURFACES Louisville 2, Ky.

May 17, 1957

AMENDMENT "B"

Commissioner of Patents
Washington 25, D. C.

Sir:

In response to the Office action of March 7, 1957, please enter the following amendment:

Page 5, line 23, after the period (.) add—

It will be observed that these belts provide a flexible, frictional, relatively nonabrasive buffing or rubbing and somewhat yielding surface composed of non-metallic material. Since this material, in comparison with metal, is a relatively poor conductor of heat or a good heat insulator, it may be aptly described as a heat insulating material.

Cancel all claims and substitute Claims 16-24 as follows:

• • • • •

(PX 1053, p. 58)

20 (Claim 11 rewritten)

A method of treating wood, comprising: *providing* a product having a relatively smooth and flat porous wood surface; *moving* that product relatively along a predetermined path extending longitudinally through a transverse work plane; *moving* an endless flexible rubbing medium, having a yielding relatively

(PX 1053, p. 60)

nonabrasive frictional heat insulating rubbing surface, at a relatively high rubbing speed toward and away from said surface at and along said transverse work plane; *pressing* said rubbing medium with a backing member into firm intimate contact against said wood surface at and along said work plane; *controlling* the magnitude of the relative product speed through said work plane at a value providing rubbing contact of predetermined momentary order at successive areas of said wood surface; *and controlling* the magnitudes of the rubbing pressure against said surface and the rubbing speed relatively to the surface at values causing said medium, during its momentary time of contact with a given area of said wood surface, not only to generate frictional heat on said surface at the elevated temperature level required for momentarily heat plasticizing said wood surface along said work plane without plasticizing the underlying wood throughout its depth but simultaneously to pressure smooth and densify the surface wood without densifying the underlying wood throughout its depth.

21

The method of Claim 20 wherein: the second mentioned controlling step is performed with the magnitudes of said rubbing pressure and rubbing speed controlled to produce

plasticizing, smoothing and densifying without charring said surface wood.

22

The method of Claim 20 wherein: the second mentioned controlling step is performed with the magnitudes of said rubbing pressure and rubbing speed controlled to produce said plasticizing, smoothing and densifying without scorching said surface wood.

(PX 1053, p. 61)

PX Exhibit 1054

(Mail Div., Jul. 15, 1957, U. S. Patent Office)

Division 66
File 3062

IN THE UNITED STATES PATENT OFFICE

Applicant:	GEORGE E. ALEXANDER	Div. 33 or 66
Ser. No.	615,127	
Filed	October 10, 1956	803 Ky. Home Life Bldg.
For	METHOD AND APPARATUS FOR TREATING WOOD SURFACES	Louisville 2, Ky.
		July 12, 1957

AMENDMENT "A"

Commissioner of Patents
Washington 25, D. C.

Sir:

In response to the Office action of Jan. 17, please enter the following amendments:

• • • • •

(PX 1054, p. 80)

—1—

• • • • •

Add Claims 11-19 as follows:

—4—

(PX Exhibit 1054, p. 83)

• • • • •

15

A method of treating wood, comprising: *providing* a product having a relatively smooth and flat porous wood surface; *moving* that product relatively along a prede-

termined path extending longitudinally through a transverse work plane; *moving* an endless flexible rubbing medium, having a yielding relatively nonabrasive frictional heat insulating rubbing surface, at a relatively high rubbing speed toward and away from said surface at and along said transverse work plane; *pressing* said rubbing medium with a backing member into firm intimate contact against said wood surface at and along said work plane; *controlling* the magnitude of the relative product speed through said work plane at a value providing rubbing contact of predetermined momentary order at successive areas of said wood surface; *and controlling* the magnitude of the rubbing pressure against said surface and the rubbing speed relatively to the surface at values causing said medium, during its momentary time of contact with a given area of said wood surface, not only to generate frictional heat on said surface at the elevated temperature level required for momentarily heat plasticizing said wood surface along said work plane without plasticizing the underlying wood throughout its depth but simultaneously to pressure smooth and densify the surface wood without densifying the underlying wood throughout its depth.

(PX Exhibit 1054, p. 86)

U. S. Patent Office
Received
B 3543
Dec. 4 1957
Division 66

IN THE UNITED STATES PATENT OFFICE

Applicant: GEORGE E. ALEXANDER — Division 33 or 66
Serial No. 615,127
Filed October 10, 1956 — 803 Ky. Home Life Bldg.
For METHOD AND APPARATUS FOR TREATING WOOD SURFACES — Louisville 2, Kentucky

AMENDMENT "B"

Commissioner of Patents
Washington 25, D. C.

Sir:

Please enter the following amendments:

• • • • •

(PX Exhibit 1054, p. 108)

Claim 15, line 3, before "relatively", insert—edgewise—

line 9, change "contact against" to—frictional engagement with—

line 10, after "surface", insert—to maintain a transversely extending band of rubbing contact therewith—

line 12, before "rubbing", insert—momentary—

lines 12 and 13, cancel beginning with "of" in line 12 through "surface;" in line 13 and substitute—time of the order of a fraction of a second for each inch of contact band width;

line 13, before "controlling", insert—correlatively—

line 19, cancel "momentarily"

(PX Exhibit 1054, p. 111)

Department of Commerce
United States Patent Office
Washington

NOTICE OF ALLOWANCE

Mailed
Dec 24 1957
Pat Div 66

The application for patent identified below has been examined and found allowable for issuance of Letters Patent.
Applicant—George E. Alexander

Title of Invention or Improvement—METHOD AND APPARATUS FOR TREATING WOOD SURFACES

Serial No.—615,127; Filing Date—October 10, 1956; No. of Claims Allowed—16; Examiner, I. Lisann.

With the allowance of the application the final fee becomes due. This fee is thirty dollars ($30) plus one dollar ($1) for each claim allowed in excess of twenty (20) and must be paid within 6 months from the date of this notice. Failure to remit the final fee will result in the patent being withheld from issue.

As a convenience in remitting this fee, use of the enclosed Form POL-85a is suggested. The final fee will not be received from anyone other than the applicant, his assignee or attorney, or a party in interest as shown by the records of the Patent Office.

If it is desired to have the patent issued to an assignee or assignees, an assignment, together with the fee for recording the same, must be filed in this Office on or before the date of payment of the final fee.

The patent will be issued and forwarded within approximately two months after receipt of the final fee.

By direction of the Commissioner.

• • • • •

(PX Exhibit 1054, p. 123).

• • • • •

Testimony of Charles Hemming

Vol. II—9

Mr. Crews: I offer in evidence a copy of the Alexander patent in suit, number 2,827,935, which is March 25, 1958, on an application filed October 10, 1956, as a continuation and part of an earlier application, later abandoned, serial number 56690, filed February 20, 1956, as PX 1052.

(Whereupon, Copy of Alexander Patent in Suit was Received and Marked by the Reporter as PX 1052)

Vol. II—10

Mr. Crews: I offer in evidence a certified photostatic copy of the Patent Office File History of the Alexander Abandoned Application, Serial No. 566,690, of which the patent in suit issued on a continuation of prior art application together with the arts cited by the application as PX 1053.

Mr. Blair: I have no objection to the offer of a certified copy.

• • • • •

(Whereupon, a Certified Photostatic Copy of the Patent Office File History of the Alexander Abandoned Application, Serial No. 566,690 was Received and Marked by the Reporter as PX 1053)

Mr. Crews: The File History shows that these patents were at least called to the Examiner's attention and that they were all before the Patent Office at the time.

Vol. II—11

I offer in evidence as PX 1054 a certified photostatic copy of the Patent Office File History of the Alexander Application from which resulted the patent in suit, No. 2,827,935, together with copies of the arts cited by the Patent Office and mentioned to the Patent Office during the prosecution.

Mr. Blair: May I see that, please?

(Mr. Crews Hands Document to Mr. Blair and then an off-the-Record Discussion Ensued between Mr. Blair and Mr. Crews)

Mr. Blair: Your Honor, we would like to have an opportunity to check these—this collection of the patents which are fastened in this file.

It will take some time. And subject to that, I have no objection to the offer.

By the Court: All right.

(Whereupon, a Certified Photostatic Copy of the Patent Office file History of the Alexander Application, Resulting in the Patent in Suit, No. 2,827,935 was Received and Marked by the Reporter as PX 1054).

LIBRARY
SUPREME COURT, U. S.

No. 140

FILED
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JOHN F. DAVIS, CLE

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

UNITED STATES PLYWOOD CORPORATION,

Petitioner,

vs.

GENERAL PLYWOOD CORPORATION,

Respondent.

PETITIONER'S REPLY BRIEF IN SUPPORT OF ITS PETITION FOR WRIT OF CERTIORARI

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July 27, 1967.

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STATUTES

35 USC 112 9

No. 140

IN THE

Supreme Court of the United States

OCTOBER TERM, 1967

UNITED STATES PLYWOOD CORPORATION,

Petitioner,

vs.

GENERAL PLYWOOD CORPORATION,

Respondent.

PETITIONER'S REPLY BRIEF IN SUPPORT OF ITS PETITION FOR WRIT OF CERTIORARI

Petitioner United States Plywood Corporation (USP) in its Petition presented three questions, any one of which is sufficiently important to justify review by this Court. General Plywood Corporation (GPC) in its Brief in Opposition does not seriously contest the underlying factual basis for these questions, but has taken a diametrically opposed position on each as a matter of law. Thus, this case is ideal for this Court to pass on these questions, as will now be shown *seriatim*.

Question I: Do Courts lack jurisdiction to adjudge a patent valid in the absence of infringement? (Petition, pp. 12-19; Respondent's Brief, pp. 17-25)

The jurisdiction of Federal Courts is limited to justiciable controversies. In a patent infringement case, "once the issue of infringement is decided against the patentee,

there exists no case or controversy justifying a decision in his favor that the patent is valid.[1] This is particularly true where, as here, the scope of the patent claims is undetermined.[2]

Such a holding of patent validity in the absence of a precisely defined scope of the patent is totally hypothetical. It offers no aid to USP or to the public as to where the valid patent monopoly extends, but instead presents the mischief of placing a strengthened *in terrorem* weapon in the hands of the patentee.

In response to this GPC argues that there is an actual controversy for several unsupportable reasons.

First GPC argues that a controversy exists because USP "instituted this litigation by filing a declaratory judgment action demanding a judgment" of patent invalidity.[3] The mere fact that a complaint or counterclaim seeks a declaratory judgment of invalidity does not make the validity issue justiciable.[4] As this Court held, "The requirements of case or controversy are of course no less strict under the Declaratory Judgment Act . . . than in case of other suits".[4A]

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[1] *Cover* v. *Schwartz*, 133 F. 2d 541, 545 (2nd Circuit 1942), cert. denied, 319 U. S. 748.

[2] The Court of Appeals did not determine what the patent scope *is*, but merely determined what it is *not;* that is, it is not so broad as to encompass the accused process. It held that, if the patent were accorded the scope asserted for it by GPC, "it would be hard to ascribe to it the novelty, as opposed to the prior art, which is required for invention" (Petition Supplemental Appendix p. SA 22).

[3] Respondent's Brief, p. 17.

[4] *Hawley Products Company* v. *United States Trunk Co.*, 259 F. 2d 69, 75-76 (1st Cir. 1958); *Kemart Corp.* v. *Printing Arts Research Laboratories*, 201 F. 2d 624, 634 (9th Cir. 1953); *R. H. Baker & Co.* v. *Smith-Blair, Inc.*, 331 F. 2d 506, 507-8 (9th Cir. 1964). See also J. Frank's refutation of this argument in *Wabash Corp.* v. *Ross Electric Corp.*, 187 F. 2d 577, 604-605 (2nd Cir. 1951), cert. den., 342 U. S. 820.

[4A] *Altvater* v. *Freeman*, 319 U. S. 359, 363 (1943).

GPC further attempts to show the existence of an actual controversy by referring to the extensive discovery and trial proceedings on the issue of validity. In doing so GPC avoids the heart of the issue. A dispute between parties may be a "controversy" in common parlance and yet not be a justiciable one. As Mr. Chief Justice Hughes held, "a 'controversy' in this sense must be one that is appropriate for a judicial determination," and further that it must be one "admitting of *specific* relief through a decree of *conclusive* character".[5] It is too obvious for citation that hypothetical, academic or moot controversies do not become justiciable simply because the parties fight vigorously over them.

GPC further contends that there is a continuing controversy because USP may change its processes in the future and that, if it does so (GPC argues), USP should not be allowed to re-litigate the validity question as to the changed processes. This type of threat is precisely one of the evils of gratuitous validity decrees pointed out by Judge Frank of the Second Circuit in holding that such decrees "may, in future litigation, unfairly prejudice" the successful party.[6] If USP changes its process in the future, it will not "relitigate" the validity issue—it will (if necessary) litigate for the first time the validity of the *scope* of the patent claims *as then asserted by GPC* against USP's changed process, which scope will necessarily differ from the scope asserted here.

GPC also argues that there is no conflict between the Sixth Circuit and the other circuits on this question.[7]

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[5] *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 241 (1936). (Emphasis added.)

[6] *Wabash Corp.* v. *Ross Electric, supra*, 187 F. 2d at 588-9.

[7] Chief Judge Simon of the Sixth Circuit Court of Appeals itself recognized the existence of a conflict by the Sixth Circuit rule in a *dissent* from the majority in *Crampton Mfg.* v. *Crampton*, 153 F. 2d 543. 547 (6th Cir. 1946), cert. denied 328 U. S. 840, saying, "Just as there can be no infringement of a void patent, so it is clear to me that to hold patent claims valid as against a noninfringer, is to decide a hypothetical case".

GPC urges that in this case the Sixth Circuit Court of Appeals followed a supposed "discretionary rule" of the Sinclair case,[8] in adjudicating the patent valid despite its noninfringement "where the circumstances rendered it appropriate,"[9] and that the First, Second and Ninth Circuits also follow the the same "rule". This is not so. The other circuits follow no such rule. On the contrary, they correctly hold that the only discretion permitted by the *Sinclair* decision is to look into the validity of the patent in order to hold the patient *invalid* in the absence of infringement; no discretion exists to hold the patent valid where infringement is lacking. This is shown by the following decisions from the First, Second and Ninth Circuits:

First Circuit:

> "Our finding of non-infringement made that question presumably moot. *'To hold a patent valid if it is not infringed is to decide a hypothetical case'.* (Citing *Altvater, inter alia.*) However, for us simply to have dismissed this portion of the appeal as moot would have left the district court's determination of validity outstanding although the rationale of our opinion had undercut its basis. Consequently *our minimum obligation was to set the finding aside.* This action did not imply that either or both of the claims of the patent were invalid, but left the matter open." *Hap Corp.* v. *Heyman Mfg. Co.*, 311 F. 2d 839, 844 (1st Cir. 1942), cert. denied 373 U. S. 903 (1963).

Second Circuit:

> "If the evidence shows a patent to be glaringly invalid (i.e., a 'scarecrow'), the trial judge must hold it invalid, whether or not he finds it uninfringed.

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[8] *Sinclair & Carroll* v. *Interchemical Corporation*, 325 U. S. 327 (1944).

[9] Respondent's Brief, p. 21.

> Nothing in *Interchemical* requires him to hold it invalid, when he finds it uninfringed, unless the evidence does disclose that it is a 'scarecrow'. And *certainly nothing in Interchemical requires or permits him*, in defiance of *Electrical Fittings*, to find that an uninfringed patent is valid." (*Wabash Corp.* v. *Ross Electric Corp., supra*, at 187 F. 2d 595 (2nd Cir. 1951)

Ninth Circuit:

> "This, however, is subject to the rule that if the patent is not infringed, it should not also be held valid. *The admonition* [of the *Sinclair* decision] is *limited to those cases in which the patent is invalid.*" *M.O.S. Corporation* v. *John I. Haas Co.*, 375 F. 2d 614, 617 (9th Cir. 1967).

The conflict between the Sixth Circuit in the present case and the above Circuit is clear.

Finally, GPC contends that there is no public interest involved in the question presented, urging that USP's argument that the judgment of validity has endowed GPC with an *in terrorem* weapon to deter competition "is emotional nonsense totally unsupported by the record."[10] This epithet should have been hurled at Judge Frank's decision in the *Wabash Corp.* decision, *supra*, since it was Judge Frank's language that was paraphrased by USP in stating this argument. Judge Frank held that under these circumstances "a well-heeled patentee could use the decision, although it went against him, to threaten other less well-heeled competitors with the notorious expense of patent litigation and thereby coerce them into onerous license agreements, the cost of which would be passed onto the consuming public" (187 F. 2d at 589). And further, "In order to protect not only the defendants but also —in the public interest—others who may later be sued for

[10] Respondent's Brief, pages 24-25.

infringement or threatened with infringement suits, a court should never find or state that a non-infringed patent is valid" (187 F. 2d at 600).

Thus, the Court of Appeals lacked jurisdiction to hold the patent valid despite its noninfringement. In so doing the Court perpetuates its conflict with the other circuits on this important question. Unless set aside by this Court, this decision will block further experimentation and developments by USP and others in this area to the detriment of the public.

Question II: Did the Court of Appeals misconstrue the *Graham* decision[11] in holding valid the patent in issue? (Petition, pp. 20-24; Respondent's Brief, pp. 25-28).

There is no dispute, and indeed GPC admits, that the patentee Alexander used "old tools" in performing the patented process.[12] Nor is there any dispute that the first person to perform the patented process was Oliver Judd, the Minnesota Mining & Mfg. Co. (3M) representative, and that he did so on May 18, 1955 at the Reynolds Company in Louisville, Kentucky.[13] Nor does GPC dispute that when Judd did so, he merely switched the use of these "old tools" from polishing aluminum to polishing wood, varying the running condition in accordance with the explicit instructions of the prior art Timesavers operating manual.[14] GPC gave no instructions to Judd on it; indeed, it was Judd who had suggested the use of cork to GPC.[15]

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[11] *Graham* v. *John Deere Co.*, 383 U. S. 1 (1966).

[12] Respondent's Brief, page 26.

[13] Respondent's Brief, pages 11-12.

[14] Petition, pages 22-23.

[15] GPC's patentee Alexander admitted that the "first time [he] had ever heard of a cork belt was when Judd told him that cork belts had been used to polish hammer handles" (3690a).

What then remains to be patentable?

GPC avoids answering this question and instead argues that the Reynolds cork belt operation was a "single experiment which was a complete failure, never revived" and thus not a prior use within the meaning of the Patent Act.[16] Whether the Reynolds operation was experimental or not is immaterial; the issue is whether Judd's use demonstrated obviousness. As early as 1952, 3M knew and advertised to the public that such cork belts could be used for "obtaining a very high lustre on glass, ceramic, metals and plastic."[17] The Court of Appeals further held (and GPC does not dispute) that cork belts had been "previously used for polishing wood."[18] Thus the use of cork belts for polishing all sorts of materials including wood was well known at the time of the Reynolds run on May 18, 1954. Judd's first run of the patent process at Reynolds confirmed the fact of the obviousness of this process.

GPC also attempts to avoid answering this fundamental question of what is patentable by urging that the microseal process cannot be practiced on metal because metals are not porous and thus cannot be densified. This again diverts from the question. Cork belts had been used for polishing metals as well as other surfaces. It was obvious to use them for polishing wood. If in polishing porous materials such as wood, certain side effects (such as the alleged densification) occur, this does not derogate from the fact that the operation is still basically a polishing operation. Thus the transfer of a polishing operation from a metal-polishing procedure to a wood-polishing procedure as taught by the patent is completely obvious and lacking in any patentable significance.

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[16] Respondent's Brief, page 28.

[17] PX 3M 14 (2), 2748A.

[18] Petition Supplemental Appendix, page SA 17.

GPC also attacks USP's position that GPC is estopped from claiming patent rights to subject matter claimed in the Judd patent. GPC bases its attack on its assertion that the Patent Office did not "give notice" of the Judd patent to GPC. This is inaccurate; clearly the Examiner did give notice to GPC.[19] The Examiner concededly told GPC that it had a choice of either amending to avoid Judd or becoming involved in interference. GPC elected to amend, and having done so, GPC cannot now divorce itself from that position. It is immaterial "whether the examiner [or GPC] was right or wrong" in so doing, estoppel applies.[20]

There is no real dispute between the parties over the material facts underlying the alleged invention. The only dispute is as to the legal standard of patentability applied by the Court of Appeals to these facts. While the Court paid lip service to this Court's decision in *Graham, supra,* it went on to apply the same old watered-down standard of patentability which prompted this Court to hear and decide *Graham.* To protect the high standard reasserted in *Graham,* this Court should strike the patent here as falling far short of that standard.

Question III: Has 35 USC 112 abrogated the *Halliburton*[21] rule requiring definiteness in claiming? (Petition, pp. 24-31; Respondent's Brief, pp. 29-31)

GPC admits that the patented process uses "old tools" (Respondent's Brief, p. 26), namely the prior art 3M cork belt and the prior art Timesaver machine. GPC also admits that this machine had "an adequate range of adjustments to permit the operating conditions to be correlated as taught in the patent" (Respondent's Brief, p. 8). GPC

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[19] Petition, pages 6-10.

[20] *Smith* v. *Magic City Kennel Club,* 282 U. S. 784, 789 (1930).

[21] *Halliburton Oil Well Cementing Co.* v. *Walker,* 329 U. S. 1 (1946).

does not dispute that the Timesaver operating instructions which were sent to each customer with these machines taught the customer to correlate these conditions for "getting just the finish you want" (Petition, pp. 22-23).

GPC however now urges that the *specific* correlation taught by the patent was new and patentable, and that the claims of the patent are sufficiently clear in that they specify that the process results "be achieved by frictional rubbing pressure carried out in a particularly defined manner" (Respondent's Brief, pp. 29-30). In so doing no direct reference is made to the language of the claims themselves, and for good reason, since the claims fail to define what the required specific correlation is. The claims simply call for the "rubbing speed and the pressure and the time contact . . . being correlated" (Claims 1 and 2), conditions "being correlatively controlled" (Claim 3), and "correlatively controlling" the conditions (Claims 4-18) to accomplish the desired result. This is precisely what was prohibited by *Halliburton*, in that the claims are written in terms of "*what it will do* rather than in terms of its own physical characteristics . . ."[22]

GPC tacitly admits that its claims do not meet the rigid test of *Halliburton* by arguing that "the doctrine of the *Halliburton* case has no application to a process claim" (Respondent's Brief, p. 29), but GPC offers no authority for this bald statement. There is no authority for it; this Court held to the contrary in a process patent case:

> "The claim is required to be specific for the very purpose of protecting the public against extension of the scope of the patent."[23]

GPC urges as its second line of defense that its claims meet the requirements 35 USC 112, added by the 1952 Pat-

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[22] 329 U. S. at page 9.

[23] *Universal Oil Prod. Co.* v. *Globe Oil & Ref. Co.*, 322 U. S. 471, 484-5 (1943).

ent Act, which permits claims to be phrased in terms of "means or step for performing a specified function without the recital of structure, material or acts in support thereof." GPC then urges that this Section of the 1952 Act in effect has overruled *Halliburton*. There is a conflict between the parties, as well as between the Circuits on this as shown by the Petition (pp. 25-26). This Court should resolve that conflict.

GPC finally argues that USP's reference to the totally indefinite expressions "relatively non-abrasive" and "no man's land" used by GPC to explain its process relate to "definiteness and . . . have no relevancy to the issue stated" by this question (Respondent's Brief, p. 30). This is *exactly* the question; *Halliburton* bears directly on definiteness in claiming. GPC's statement is inexplicable and requires no further refutation.

Conclusion

USP's Petition presents questions of public importance which involve serious conflicts between the circuits. GPC's brief in response only sharpens these conflicts by asserting diametrically opposed positions as a matter of law rather than fact. It is respectfully submitted that this Petition presents this Court with an ideal case for resolving these questions, and that certiorari should therefore be granted.

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Respectfully submitted,

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